

## **BASE INVESTMENTS SICAV**

Investment Company with variable capital

**25 November 2025**

## INTRODUCTION

BASE INVESTMENTS SICAV (hereafter referred to as the “**SICAV**”) is a *société anonyme* established in the form of an investment company with variable capital with multiple Sub-Funds regulated by the laws of the Grand-Duchy of Luxembourg. The SICAV aims to provide investors with the opportunity to invest in portfolios consisting of transferable securities diversified according to the different types of Sub-Funds offered, with a view to realising performances as closer as possible to their expectations.

BASE INVESTMENTS SICAV is registered in the official list of Undertakings for Collective Investment governed by the Law of 17 December 2010 on Undertakings for Collective Investment (the “**2010 Law**”) and is regulated by Part I of this law.

Registration on this list may not be interpreted as a positive assessment by the supervisory authority of the contents of this prospectus or of the quality of shares offered by BASE INVESTMENTS SICAV (the “**Shares**”). Any assertion to the contrary would be unauthorised and illegal.

This prospectus may not be used to constitute an offer or solicitation for the sale of Shares in any country or under any circumstance where such an offer or solicitation is not authorised.

The Shares have not been registered under the United States Securities Act of 1933 (the “**US Securities Act**”), the securities laws of any US State thereof, nor is such registration contemplated. The Shares are offered and sold under the exemption provided by Section 4(a)(2) of the US Securities Act and Regulation D promulgated thereunder. As a result, the Shares may not be resold or transferred unless such resale or transfer is exempt from the registration requirements of the Securities Act and applicable US state and other US securities laws. In addition, the SICAV is relying on an exemption from registration under the U.S. Investment Company Act of 1940 (the “**1940 Act**”), and no transfer of Shares may be made that would require the SICAV or the Management Company to register as an “investment company” under the 1940 Act. In order to ensure compliance with U.S. regulatory regimes (including those relating to tax and other compliance regulations), Shares purchased by US Persons are prohibited from transfer without the prior written consent of the SICAV and the Management Company.

The Shares offered hereby have not been registered under the US Securities Act and the SICAV is not registered under the U.S. Investment Company Act of 1940.

Accordingly, the Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America, its territories or possessions or to “U.S. persons”, as that term is defined in Rule 902(k) of regulations of the U.S. Securities and Exchange Commission. By subscribing any of these Shares, the investor and/or any person acting on behalf of the investor represents that the beneficial owner is not such U.S. person.

The SICAV shall also only issue, sell or transfer Shares to FATCA Eligible Investors and CRS Eligible Investors (see sections 20.3 and 20.4).

No other information will be deemed valid other than which appears in this prospectus and

in the documents referred to therein and available for consultation by the public.

The board of directors of BASE INVESTMENTS SICAV (the “**Board of Directors**”) assumes responsibility for the accuracy of the information contained in this prospectus on the date of its publication.

This prospectus is liable to be updated with substantive amendments. Therefore, it is recommended that subscribers contact BASE INVESTMENTS SICAV to inquire as to the possible publication of a more recent prospectus.

It is recommended that investors take advice on the laws and regulations (such as those on taxation and exchange control) pertaining to the subscription, purchase, holding, redemption and sell of Shares in their place of origin, residence and domicile.

This prospectus is valid only when accompanied by the last available annual report and by the latest semi-annual report, if this is more recent than the last annual report. These documents are an integral part of this prospectus.

The SICAV’s Board of Directors reserves the right to: (i) accept or reject any subscription application, totally or partially, whatever the reason may be; (ii) limit the distribution of Shares of a given Sub-Fund to specific countries; and (iii) redeem Shares held by persons that are not authorised to purchase or hold the Shares.

Starting as of 1 January 2023 and in accordance with Regulation (EU) 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended, and the Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No 1286/2014, as amended (collectively referred to as the “**PRIIPs Regulation**”), a key information document (“**KID**”) will be published for each share class where such share class is available to retail investors in the European Economic Area (the “**EEA**”).

A retail investor within the meaning of the preceding paragraph means any person who is a retail client as defined in article 4(1), point (11), of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“**MiFID II**”) (referred to herein as a “**Retail Investor**”).

A KID will be handed over to Retail Investors and professional investors, where shares are made available, offered or sold in the EEA, in good time prior to their subscription in the SICAV. In accordance with the PRIIPs Regulation, the KID will be provided to Retail Investors and professional investors (i) by using a durable medium other than paper or (ii) at [www.basesicav.lu](http://www.basesicav.lu) in which case it can also be obtained, upon request, in paper form from the registered office of the SICAV free of charge.

The SICAV is managed by its Board of Directors and the investment management duties are carried out by Edmond de Rothschild Asset Management (Luxembourg) (the “**Management Company**”), under the control of the Board of Directors.

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## **2. ADMINISTRATION OF THE SICAV**

### **BOARD OF DIRECTORS**

**Massimo Paolo Gentili**

Chairman

Founding Partner Gentili & Partners

**Stefano Rogna**

Chairman of the General Management

Banca del Sempione SA

**Beat Viktor Meier**

Member of the board of directors

Banca del Sempione (Overseas) Ltd.

**Pietro Scibona**

Deputy General Manager

Banca del Sempione SA

### **REGISTERED OFFICE**

5, Allée Scheffer

L-2520 Luxembourg

Grand Duchy of Luxembourg

### **MANAGEMENT COMPANY**

**Edmond de Rothschild Asset Management (Luxembourg)**

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Grand Duchy of Luxembourg

### **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

Christophe Caspar

Katherine Blacklock

Flavien Duval

Marc Saluzzi

### **CONDUCTING PERSONS**

David Claus

Marc Fohr

Emmanuel Vergeynst

Arnaud Peraire Mananga

### **UCI ADMINISTRATOR, DEPOSITARY BANK, DOMICILIARY AGENT**

**CACEIS Bank, Luxembourg Branch**

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**DISTRIBUTOR AND NOMINEE**

**Banca del Sempione SA**

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**INVESTMENT MANAGER**

**Banca del Sempione SA**

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**SUB-INVESTMENT MANAGER**

**Sempione SIM S.p.A.**

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**REPRESENTATIVE AND PAYING AGENT IN SWITZERLAND**

**Banca del Sempione SA**

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**AUDITOR**

**PricewaterhouseCoopers Assurance, Société coopérative**

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Grand Duchy of Luxembourg

**LEGAL ADVISOR**

**Arendt & Medernach S.A.**

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L-2082 Luxembourg  
Grand Duchy of Luxembourg

### 3. GENERAL CHARACTERISTICS OF THE SICAV

BASE INVESTMENTS SICAV is an investment company (*société d'investissement à capital variable*) with variable capital with multiple sub-funds (the “**Sub-Funds**”), governed by Luxembourg law and constituted for an unlimited period in Luxembourg on 29 May 2001. The SICAV is governed by Part I of the 2010 Law and, unless otherwise stated in the 2010 Law by the Law of 10 August 1915 on commercial companies.

BASE INVESTMENTS SICAV is an umbrella fund composed by a number of Sub-Funds, each containing separate assets and liabilities and each having a distinct investment policy.

Moreover, BASE INVESTMENTS SICAV offers, within some of its Sub-Funds, two or more classes of Shares, differing from one another in the applicable commission structure, minimum subscription amounts, type of investor, base currency, and distribution policy. The features and general conditions of each class shall be established by the Board of Directors and are described in section 20.1 “Current subscriptions” of this prospectus. The Shares of each class may be sub-divided into sub-classes or series.

This structure offers investors the possibility of being able to choose among different Sub-Funds and, if applicable, different classes of Shares and therefore having the option of subsequently switching from a share class to another share class within the same Sub-Fund or a different one, on conditions specified in Section 21. “Transfer and Conversion of Shares”.

The SICAV comprises the following Sub-Funds:

BASE INVESTMENTS SICAV – BONDS VALUE; base currency: Euro (EUR)

BASE INVESTMENTS SICAV – GLOBAL FIXED INCOME; base currency: Euro (EUR)

BASE INVESTMENTS SICAV – FLEXIBLE LOW RISK EXPOSURE; base currency: Euro (EUR)

BASE INVESTMENTS SICAV – LOW DURATION; base currency: Euro (EUR)

BASE INVESTMENTS SICAV – MACRO DYNAMIC; base currency: Euro (EUR)

BASE INVESTMENTS SICAV – MULTI ASSET CAPITAL APPRECIATION FUND OF FUNDS; base currency: Euro (EUR)

BASE INVESTMENTS SICAV – SEMPIONE SMART EQUITY; base currency: Euro (EUR)

The Board of Directors reserves the right to further launch (i) other Sub-Funds whose investment policy and/or (ii) new classes of Shares within the existing Sub-Fund, whose offer term will be communicated in an updated prospectus. Investors may be informed through the press should the Board of Directors considers it appropriate. In addition, the Board of Directors may propose to subscribers the winding up of a Sub-Fund or a share class.

The articles of incorporation of the SICAV (the “**Articles**”) were published in the *Mémorial C, Recueil des Sociétés et Associations* (the “*Mémorial*”) on 29 June 2001. The Articles were last modified during an Extraordinary General Meeting held on 5 July 2012 and published in the *Mémorial* on 25 July 2012. The Articles were deposited at the office of the *Registre de Commerce et des Sociétés* (the “**Trade Register**”) of Luxembourg. The documents may be examined there and copies may be obtained upon request.



The SICAV is registered with the Trade Register in Luxembourg under No. B 82127 and its registered office is in Luxembourg. The SICAV's capital is at all times equal to the total net asset value of the different Sub-Funds and is represented by Shares issued without par value and fully paid in. Variations of the capital are fully authorised, without the same requirement for notification or registration at the Trade Register as applies to increases or reductions of *sociétés anonymes*. The SICAV's minimum capital amounts to EUR 1,250,000 (one million two hundred and fifty thousand Euro).

The Board of Directors has appointed Edmond de Rothschild Asset Management (Luxembourg) as the management company of the SICAV and its Sub-Funds, as further described under Section 11. "Management of the SICAV".

#### **4. INVESTMENT POLICY AND OBJECTIVES**

The main objective of the SICAV is to preserve capital and to increase its assets. There is no guarantee that such objectives will be achieved.

The SICAV intends to achieve these objectives through active management of the Sub-Funds whose investment policy and objectives are described hereafter. Overall, the portfolio of each Sub-Fund of the SICAV consists of securities and other eligible assets without restrictions or limitations in terms of industry, sector, or geographical diversification, except those specifically defined in the investment policy of the Sub-Funds offered.

All the Sub-Funds may hold cash (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of their total net assets on an ancillary basis and may use techniques and instruments on transferable securities within the limits defined in Section 7. "Financial Techniques and Instruments" illustrated below.

The investment policy of the Sub-Funds of the SICAV is detailed in Appendix I for each Sub-Fund.

#### **5. SPECIAL CONSIDERATIONS ON RISKS**

With regard to individual Sub-Funds, it is recommended that future investors take advice from their financial advisors in order to determine whether investing in a particular Sub-Fund is appropriate in terms of their asset situation.

The number and structure of investments in each Sub-Fund should reduce the sensitivity of the relevant Sub-Fund to risks associated with a particular investment. Nevertheless, investors must be aware that there is no guarantee of their recovering the amounts originally invested.

More specifically, future investors should be aware of the risks associated with investing in certain Sub-Funds, as detailed below.

### **5.1. Investment in small and medium-sized companies**

Investment in small and medium-sized companies may carry greater risks than those generally associated with investment in larger and more established companies.

In particular, small companies are often limited in their product range, in access to markets and financial resources. In addition, it is possible that only one or two key people are responsible for their operations.

### **5.2. Investment in convertible bonds**

Convertible bonds are subject to credit, interest rate and market risks associated with both debt and equities securities, and to risks specific to convertible securities.

As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. Convertible securities, including convertible bonds, generally offer lower interest or dividend yields than non-convertible securities of similar quality. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the price of the convertible security tends to reflect the value of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis, and thus may not depreciate to the same extent as the underlying common stock. Convertible securities generally rank senior to common stocks in an issuer's capital structure and are consequently of higher quality and entail less risk than the issuer's common stock. However, the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed income security. In evaluating a convertible security, the Investment Manager will give primary emphasis to the attractiveness of the underlying common stock.

### **5.3. Investment in contingent convertible bonds ("Cocos")**

Cocos are debt securities paying a higher coupon and which may be converted into equity securities or suffer capital losses by decreasing the face value if pre-specified events occur ("**Trigger Events**"), depending in particular of the capital ratio levels of the issuer of such Cocos ("**Trigger Levels**").

Cocos may be issued as perpetual instruments which may (or may not) be called at pre-determined date. Trigger Events may include (i) events under the control of the management of the Cocos issuer which could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity (see below), (ii) a regulatory authority, at any time, making a subjective determination that an institution is "non-viable", i.e., a determination that the issuing bank requires public sector support in order to prevent the issuer from becoming insolvent, bankrupt, unable to pay a material part of its debts as they fall due or otherwise carry on its business and requiring or causing the conversion of the Cocos into equity in circumstances that are beyond the control of the issuer or (iii) a national authority deciding to inject capital. Furthermore, the Trigger Event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies.

Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a Trigger Event in circumstances where such a Trigger Event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the Cocos.

Cocos are complex financial instruments in respect of which, Trigger Levels (and thus exposure to conversion risk) differ widely. In particular, conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

Cocos are also innovative financial instruments and their behaviour under a stressed financial environment is thus unknown. This increases uncertainty in the valuation of Cocos and the risks of potential price contagion and volatility to the entire Cocos asset class. This may also lead to a certain level of market illiquidity which may adversely impact both the price formation and the transferability of the instruments. In particular finding a ready buyer for Cocos may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it. Furthermore, because of the often attractive yield of Cocos, it still remains unclear whether holders of Cocos have fully considered the underlying risks of these instruments.

To the extent that investments are concentrated in a particular industry, the Cocos investors will be susceptible to loss due to adverse occurrences affecting that industry.

The investment in Cocos may also result in material losses to the Sub-Funds as the debt security may suffer capital market loss by decreasing the face value ("**write-down**") on the occurrence of certain Trigger Events. In this event, holders of Cocos will suffer losses ahead of holders of equity securities issued by the same issuer, contrary to the classic order of capital structure hierarchy where equity holders are expected to suffer the loss before debt holders.

Cocos may be perpetual instruments which may not be called on the predefined call date and investors may not receive return of principal on the call date or at any date.

In addition, some Cocos are also subject to the risk of discretionary cancellation of coupon payments by the issuer at any point, for any reason, and for any length of time. Coupon cancellation may also be mandatory under the European Capital Requirements Directive (CRD IV) and related applicable laws and regulation. This mandatory deferral may be at the same time that equity dividends and bonuses are also restricted, but some Cocos structures allow the bank at least in theory to keep on paying dividends whilst not paying Cocos holders. Mandatory deferral is dependent on the amount of required capital buffers a bank is asked to hold by regulators.

Shareholders should be aware that the structure of Cocos is yet to be tested and there is some uncertainty as to how they may perform in a stressed environment. Depending on how the market views certain Trigger Events, as outlined above, there is the potential for price contagion and volatility across the entire asset class. Furthermore, this risk may be increased depending on the level of underlying instrument arbitrage and in an illiquid market, price formation may be increasingly difficult.

#### **5.4. Use of Warrants**

It should be noted that though warrants are considered to offer potentially higher returns than Shares because of their leverage effect, they are characterised by price volatility and greater risk of loss. These instruments may even suffer total loss of value.

#### **5.5. Use of financial derivative instruments**

Within the limits illustrated in Section 7. “Financial Techniques and Instruments”, each Sub-Fund may be traded on both the official market and the OTC derivative market to conserve or increase the yield of the underlying asset. Derivative contracts may have a long-term impact on the SICAV or give rise to financial commitments that may be amplified because of their leverage effect, thus causing changes in the market value of the underlying asset. The leverage effect implies that the necessary counter-value to conclude the transaction is much lower than the nominal value of the contract instrument. If a transaction is executed through the leverage effect, a relatively small market correction will have a proportionally higher impact on the value of the investment for the SICAV, which may occur either to its loss or gain.

When traded on the official or OTC derivative market, the SICAV is exposed to:

- market risk, featuring the fact that fluctuations may have a negative impact on the value of the derivative contract as a result of change in the price or value of the underlying security;
- liquidity risk, featuring the fact that one of the parties may not be able to meet its effective obligations; and
- operating risk, featuring the fact that the internal risk management system proves to be inadequate for one of the parties or may not adequately monitor the risks inherent in derivative transactions.

OTC market participants are exposed to counterparty credit risk. This is a key risk factor in OTC market because, in the majority of cases, each party can only rely on the ability of the counterparty to later perform its obligations. On the other hand, counterparty credit risk can be traded on official markets through clearing agreements to transfer risk from the SICAV to the clearing institution. OTC market participants are also exposed to the risk of not being able to enforce the counterparty’s obligations through legal channels.

The use of financial instruments cannot be considered a guarantee of achieving the expected results.

#### **5.6. Investments in asset backed securities and mortgage backed securities**

Several Sub-Funds may invest in mortgage related securities such as mortgage derivatives, structured notes, mortgage-backed and asset-backed securities. Mortgage-related securities may include securities which represent claims on cash flows from loans on residential properties and loans on commercial properties for commercial mortgage-backed securities. Investing in mortgage-related securities generally entails credit, prepayment (i.e. the risk associated with the early unscheduled payment of principal on a fixed-income

security) liquidity and default risk. In general, rising interest rates tend to increase the duration of these securities making them more sensitive to changes in interest rates. In times of rising interest rates, a fund invested in mortgage-related securities may exhibit increased volatility. Mortgage-related securities may be subject to prepayment risk particularly in times of decreasing interest rates. This may reduce the returns of the Sub-Funds as that money is reinvested at the prevailing lower interest rate.

#### **5.7. Exchange Rate Risks**

Several Sub-Funds that invest in securities denominated in currencies other than the Sub-Fund's reference currency may be subject to exchange rate risk due to fluctuations among different currencies or the conversion from one currency to another that could, in turn, generate an increase or decrease in the Sub-Fund's net assets.

If the currency in which a security is denominated appreciates against the reference currency, such security's price may increase. Conversely, if a security's currency of denomination depreciates against the reference currency, such security's price may decrease.

The value of investments for holders of Shares belonging to a class denominated in a currency other than the reference currency of the Sub-Fund that issued these Shares may increase or decrease due to exchange rate fluctuations between the two currencies.

To avoid such risk, in the case of share classes denominated in currencies other than the Sub-Fund's reference currency, an exchange rate risk hedge transaction will be executed. Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the Reference Currency of the Sub-Fund is applied in accordance with ESMA opinion on share classes of UCITS (ESMA34-43-296). There can be no guarantee that hedging strategies will be successful.

During certain periods there may be sharp fluctuations in exchange rates depending on supply and demand on the currency markets. Currency markets may be significantly influenced by the intervention (or non-intervention) of governments or central banks, by foreign exchange control regulations, or by political developments.

#### **5.8. Emerging and Frontier Markets Risks**

Emerging Markets Risk.

In addition to the risks of investing in foreign securities in general, the risks of investing in the securities of companies domiciled in emerging market countries include increased political or social instability, economies based on only a few industries, unstable currencies, runaway inflation, highly volatile securities markets, unpredictable shifts in policies relating to foreign investments, lack of protection for investors against parties that fail to complete transactions, and the potential for government seizure of assets or nationalization of companies.

Frontier Markets Risk.

In addition to the risks of investing in foreign securities and emerging markets, frontier market

securities involve unique risks, such as exposure to economies less diverse and mature than those of more established foreign markets. Economic or political instability may cause larger price changes in frontier market securities than in securities of issuers based in more developed foreign countries, including securities of issuers in larger emerging markets. Frontier markets generally receive less investor attention than developed markets and larger emerging markets. These risks can result in the potential for extreme price volatility and illiquidity.

#### Political Risk.

The risk of government intervention is particularly high in frontier markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government intervention could result from political, economic or internal policies and could cause a complete loss of the Sub-Funds' investment in such countries. Frontier markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated. When seeking to sell securities of frontier market, little or no market may exist for such securities. Settlement of transactions may be subject to delay and administrative uncertainties. Custodians in frontier markets are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Sub-Funds will not be recognised as the owner of securities held on its behalf by a sub-custodian. The disclosure of fiscal and other information available to investors may be less complete and reliable. It may also be the case that companies that are listed on recognized exchanges that are part of frontier markets or conduct much of their business in frontier markets are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in developed countries. This, if combined with a weak regulatory environment, could result in lower standards of corporate governance and less protection of minority shareholder rights of the companies in which the Sub-Funds will invest.

#### **5.9. Investments in China**

In addition to the risks mentioned in section 5.6, investors shall be aware of the following risk considerations in relation to investments made in China.

##### **Definitions**

**ChinaClear** means China Securities Depository and Clearing Corporation Limited.

**CSRC** means the China Securities Regulatory Commission of Mainland China.

**HKSCC** means the Hong Kong Securities Clearing Company Limited.

**SAFE** means the State Administration of Foreign Exchange in China.

**SEHK** means the Stock Exchange of Hong Kong Limited.

**SSE** means Shenzhen Stock Exchange.

**Stock Connect** means Shanghai-Hong Kong Stock Connect, the mutual market access programme through which investors can deal in select securities listed on the SSE through

the SEHK and clearing house in Hong Kong (Northbound trading) and Chinese domestic investors can deal in select securities listed on the SEHK through the SSE and clearing house in Shanghai (Southbound trading).

### **Investment in China Risk**

To the extent that a Sub-Fund invests in securities issued in Mainland China, it will be subject to risks inherent in the Chinese market as described in more detail below.

Chinese political and social risks:

Any political changes, social instability and adverse diplomatic developments which may take place in or in relation to China could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the Sub-Fund assets. Investors should also note that any change in the policies of the government and relevant authorities of China may adversely impact the securities markets in China as well as the performance of the Sub-Fund.

Chinese economic risks:

The economy in China has experienced significant and rapid growth in the past twenty years. However, such growth may or may not continue, and may not apply evenly across different geographic locations and sectors of the Chinese economy. Economic growth has also been accompanied by periods of high inflation. The Chinese government has implemented various measures from time to time to control inflation and restrain the rate of economic growth. Furthermore, the government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of China. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those policies may have an adverse impact on the Chinese markets and therefore on the performance of the Sub-Fund.

Chinese legal system risks:

The Chinese legal system is based on written laws and regulations. However, because many of these laws and regulations, especially those that affect the securities market, are relatively new and evolving, the enforceability of such laws and regulations is uncertain. Such regulations also empower the CSRC and the SAFE to exercise discretion in their respective interpretation of the regulations, which may result in increased uncertainties in their application. In addition, as the legal system develops, there can be no assurance that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on the business operations of Chinese companies which may impact the value of investments held by the Sub-Fund.

Risk of government control of currency conversion and future movements in exchange rates:

The conversion of onshore RMB in China into another a currency is subject to SAFE approvals and the conversion rate is based on a managed floating exchange rate system which allows the value of onshore RMB to fluctuate within a regulated band based on market

supply and demand and by reference to a basket of currencies. There can be no assurance that the onshore RMB exchange rate will not fluctuate widely against the US Dollar or any other foreign currency in the future.

#### Chinese accounting and reporting standards risks:

Chinese companies which may issue securities to be invested by the Sub-Fund are required to follow Chinese accounting, audit and reporting standards and practices. These may be less rigorous than international equivalents, and there may be significant differences between financial statements prepared in accordance with Chinese standards and those prepared in accordance with international accounting standards. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

#### Chinese financial markets risks:

Investors should note that the financial markets in China are at a developing stage and trading volumes may be lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volumes may result in prices of securities fluctuating significantly, which could result in substantial volatility in the Net Asset Value of the Sub-Fund. The regulatory and legal framework for capital markets and securities in China is still developing when compared with those of developed countries.

#### Risks linked to intervention of the government in financial markets:

The Chinese government and regulators may intervene in the financial markets in China, such as by imposing trading restrictions, a ban on “naked” short selling or suspending short selling for certain securities. This intervention may affect the activities of the Sub-Fund, and may have an unpredictable impact on the Sub-Fund. Furthermore, this intervention may have a negative impact on overall market sentiment, which may in turn affect the performance of the Sub-Fund.

#### Chinese brokerage risks:

The execution and settlement of transactions or the transfer of any funds or securities in China may be conducted by brokers (“**PRC Brokers**”) appointed by the Investment Manager. There is a risk that the Sub-Fund may suffer losses, whether direct or indirect, from the default or bankruptcy of a PRC Broker or disqualification of the same from acting as a broker. This may adversely affect the Sub-Fund in the execution or settlement of any transaction or in the transfer of any funds or securities. Reasonably competitive commission rates and prices of securities will generally be sought to execute the relevant transactions in Chinese markets. It is possible that, in circumstances where only a single PRC Broker is appointed, where it is considered appropriate to do so by the Investment Manager, the Sub-Fund may not necessarily pay the lowest commission or spread available, but the transaction execution will be consistent with best execution standards and in the best interest of the shareholders of the SICAV (each a “**Shareholder**”, together the “**Shareholders**”). Notwithstanding the foregoing, the Investment Manager will seek to obtain the best net results for the relevant Sub-Fund, taking into account such factors as prevailing market conditions, price (including the applicable brokerage commission or dealer spread), size of order, difficulties of execution and operational facilities of the PRC Broker involved and the PRC Broker’s ability to position



efficiently the relevant block of securities.

In its selection of PRC Brokers, the Investment Manager will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the Investment Manager considers it appropriate, it is possible that a single PRC Broker will be appointed and the relevant Sub-Fund may not necessarily pay the lowest commission available in the market.

Risks linked with dealing in securities in China:

Investments in China are currently subject to certain additional risks, particularly regarding the ability to deal in securities in Mainland China. Dealing in certain Chinese securities is restricted to licensed investors and the ability of the investor to repatriate its capital invested in those securities may be limited at times. Due to issues relating to liquidity and repatriation of capital, the Investment Manager may determine from time to time that making direct investments in certain securities may not be appropriate for the relevant Sub-Fund. As a result, the Investment Manager may choose to gain exposure to Chinese securities indirectly (for example, by way of derivatives or promissory notes which qualify as transferable securities) and may be unable to gain full exposure to the Chinese markets.

Risks linked to debt securities issued by Chinese companies on offshore markets:

For Sub-Funds which are permitted to invest in debt securities issued by Chinese companies on offshore markets, investors should be aware that certain structures are typically put in place to enable such transactions. Usually the Chinese company ("**sponsor company**") will raise debt capital by creating a special purpose offshore debt fund ("**OSDF**") which issues debt securities to foreign investors. The OSDF then uses the proceeds of such debt issuance to participate in the capital of the sponsor company through the subscription of equity securities. The OSDF usually has no direct security over the underlying assets of the sponsor company and the OSDF is therefore likely to suffer losses in the event of a failure of the sponsor company. Furthermore, the sponsor company can only transfer money to the OSDF in the form of after-tax dividends and only with the approval of the relevant Chinese regulatory authorities. Dividends can only be paid when the sponsor company is making a profit. In order to meet the obligations arising upon the debt issue maturing the OSDF may need to seek further injections of capital by way of issuing new debt.

Risk of Market Closure:

Certain markets, such as the Chinese market, in which the SICAV invests may not open every bank business day. The consequence is that the prices at which the Shares may be bought or sold will be based on prices for the underlying investments that are out of date to a greater or lesser extent. This will cause the returns of the Sub-Fund investing in these markets to be affected if purchases or sales of Shares are followed immediately by increases or decreases in the prices of the underlying investments.

### **5.9.1 Investments in China H-Shares**

The investments of the Sub-Funds may include shares in companies incorporated in Mainland China which are listed on the Hong-Kong Stock Exchange ("**HKEx**") and primarily

traded in Hong Kong ("**China H-Shares**").

Political and economic considerations.

Investors should be aware that the economy of Mainland China differs from the economies of most developed countries in many respects, including the government involvement in its economy, the level of development, growth rate and control of foreign exchange. The regulatory and legal framework for capital markets and companies in Mainland China is not well developed compared with those of developed countries.

By investing in China H-Shares, Sub-Funds are subject to the risks of investing in emerging markets generally and the risks specific to Mainland China in particular. These may include, but are not limited to:

- Less liquid and less efficient securities markets;
- Greater price volatility;
- Exchange rate fluctuations and exchange controls;
- Less publicly available information about issuers;
- The imposition of restrictions on the repatriation of funds or other assets out of the country;
- Higher transaction and custody costs and higher settlement risks;
- Difficulties in enforcing contractual obligations,
- Lesser levels of regulation of the securities markets;
- Different accounting, disclosure and reporting requirements;
- More substantial government involvement in the economy;
- Higher rates of inflation,
- Social, political and economic instability; and
- Risk of nationalization or expropriation of assets and risk of war or terrorism.

Investors should be aware that, the Mainland China government has adopted a planned economic system in the past. Since 1978, the Mainland China government has implemented economic reform measures which emphasize decentralization and the utilization of market forces and social progress. However, many of the economic reforms in Mainland China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on securities markets.

The economy of Mainland China has experienced significant growth in the past few years, but such growth has been uneven both geographically and among the various sectors of the economy. Moreover, there can be no assurance that such growth can be sustained.

Mainland China government's control of currency conversion and future movements in exchange rates.

On 21 July 2005, the Mainland China government began to implement a controlled floating exchange rate system based on the supply and demand in the market and adjusted with reference to a portfolio of currencies. The exchange rate of Renminbi is no longer pegged to the US dollar, resulting in a more flexible Renminbi exchange rate system. China Foreign Exchange Trading System, authorized by the People's Bank of China, promulgates the central parity rate of Renminbi against US dollar, Euro, Yen, pound sterling and Hong Kong

dollar at 9:15 a.m. on each business day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of Renminbi against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for Renminbi against other currencies, including US dollars and Hong Kong dollars, are susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely against US dollars, Hong Kong dollars or any other foreign currency in the future.

Since July 2005, the appreciation of Renminbi has begun to accelerate notably. Although the Mainland China government has constantly reiterated its intention to maintain the stability of the Renminbi, it may introduce measures (such as a reduction in the rate of export tax refund) to address the concerns of the Mainland China's trading partners. Therefore, the possibility that the appreciation of Renminbi will be further accelerated cannot be excluded. On the other hand, there can be no assurance that the Renminbi will not be subject to devaluation. Any devaluation of the Renminbi could adversely affect the Net Asset Value of the Sub-Fund concerned.

### **5.9.2 Investments in China A-Shares**

#### **Investments through Stock Connect**

Investments by a Sub-Fund in China A-Shares and other permissible securities denominated in Renminbi will be made through Stock Connect.

When investing in a Sub-Fund invested in China A-Shares Shareholders should be aware of the following additional risks:

#### **China A-Shares Risks**

Risk of volatility:

The existence of a liquid trading market for China A Shares may depend on whether there is supply of, and demand for, China A Shares. The price at which securities may be purchased or sold by the Sub-Fund and the Net Asset Value of the Sub-Fund may be adversely affected if trading markets for China A Shares are limited or absent. The China A Share market may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention). Market volatility and settlement difficulties in the China A Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the Sub-Fund.

Risk of trading limitations:

Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges on China A Shares, where trading in any China A Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the Investment Manager to liquidate positions and could thereby expose the

Sub-Fund to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the Investment Manager to liquidate positions at a favourable price, which could thereby expose the Sub-Fund to significant losses.

China A Shares may only be bought from, or sold to, the Sub-Fund from time to time where the relevant China A Shares may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate.

Given that the China A-Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the subscription and redemption of Shares may also be disrupted.

### Stock Connect Risks

Risks linked with dealing in securities in China via Stock Connect:

To the extent that the Sub-Fund's investments in China are dealt via Stock Connect, such dealing may be subject to additional risk factors. In particular, Shareholders should note that Stock Connect is a new trading programme. The relevant regulations are untested and subject to change. Stock Connect is subject to quota limitations which may restrict the Sub-Fund's ability to deal via Stock Connect on a timely basis. Shareholders should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the Sub-Fund's ability to meet its investment objective, e.g. when the Investment Manager wishes to purchase a security which is recalled from the scope of Stock Connect.

Beneficial owner of the SSE Shares:

Stock Connect currently comprises the Northbound link, through which Hong Kong and overseas investors like the SICAV may purchase and hold China A Shares listed on the SSE ("**SSE Shares**"), and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the SEHK. The SICAV trades SSE Shares through its broker affiliated to the SICAV sub-custodian who is SEHK exchange participants. These SSE Shares will be held following settlement by brokers or custodians as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("**CCASS**") maintained by the Hong Kong Securities and Clearing Corporation Limited ("**HKSCC**") as central securities depository in Hong Kong and nominee holder. HKSCC in turn holds SSE Shares of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depository in Mainland China.

Because HKSCC is only a nominee holder and not the beneficial owner of SSE Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that SSE Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in SSE Shares in Mainland China. Foreign Investors like the concerned Sub-Funds of the SICAV investing through the Stock Connect holding the SSE Shares through HKSCC are the beneficial owners of the assets and are therefore

eligible to exercise their rights through the nominee only.

Not protected by Investor Compensation Fund:

Investors should note that any Northbound or Southbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

Quotas used up:

When the respective aggregate quota balance for Northbound and Southbound trading is less than the daily quota, the corresponding buy orders will be suspended on the next trading day (sell orders will still be accepted) until the aggregate quota balance returns to the daily quota level. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day.

Therefore, quota limitations may restrict the relevant Fund's ability to invest in Stock Connect Shares on a timely basis, and the relevant Fund may not be able to effectively pursue its investment strategy.

Difference in trading day and trading hours:

Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the two markets SSE and SEHK. Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong. The investment manager should take note of the days and the hours during which Stock Connect is open for business and decide according to its own risk tolerance capability whether or not to take on the risk of price fluctuations in China A Shares during the time when Stock Connect is not trading.

The recalling of eligible stocks and trading restrictions:

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager. The Investment Manager should therefore pay close attention to the list of eligible stocks as

provided and renewed from time to time by SSE and SEHK.

Under Stock Connect, the Investment Manager will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently under “risk alert”; and/or (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK. The Investment Manager should also note that price fluctuation limits would be applicable to China A Shares.

#### Trading costs:

In addition to paying trading fees and stamp duties in connection with China A Shares trading, the Sub-Funds carrying out Northbound trading via Stock Connect should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the relevant authorities.

#### Local market rules, foreign shareholding restrictions and disclosure obligations:

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. The Investment Manager should also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A Shares.

The Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. The Investment Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in China A Shares.

Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the SSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules.

According to existing Mainland China practices, the Sub-Fund as beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend Shareholders’ meetings on its behalf.

#### Currency risks:

Northbound investments by the Sub-Fund in the SSE securities will be traded and settled in Renminbi. If the Sub-Fund holds a class of Shares denominated in a local currency other than RMB, the Sub-Fund will be exposed to currency risk if the Sub-Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Sub-Fund purchases it and when the Sub-Fund redeems / sells it, the Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.

**Risk of ChinaClear default:**

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if China Clear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect authorities. Although the likelihood of a default by ChinaClear is considered to be remote, the Sub-Fund should be aware of this arrangement and of this potential exposure before engaging in Northbound Trading.

**Risk of HKSCC default:**

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect securities and/or monies in connection with them and the SICAV and its investors may suffer losses as a result. Neither the SICAV nor the Investment Manager shall be responsible or liable for any such losses.

**Ownership of Stock Connect securities:**

Stock Connect securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect securities are not available under the Northbound Trading for the Sub-Fund.

The Sub-Fund's title or interests in, and entitlements to Stock Connect securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors to allow them standing to take legal action against the Chinese entities in case disputes arise. This is a complex area of law and the Client should seek independent professional advice.

**5.9.3 China tax Risks**

Income and gains derived from China may be subject to withholding tax and capital gains tax. The interpretation and applicability of existing Chinese tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in China may be changed with retrospective effect in the future. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the Sub-Fund's investments. The Chinese government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or

amendment in tax laws and regulations may affect the after-tax profit of Chinese companies and foreign investors in such companies, such as the SICAV. There can be no guarantee that new tax laws, regulations, and practice in China that may be promulgated in the future will not adversely impact the tax exposure of the SICAV and/or its Shareholders.

As a result, where a Sub-Fund invests in China A-Shares or China H-Shares the income of which (such as dividends) are derived from Mainland China, if any, such Sub-Fund is subject to withholding of company income tax imposed in Mainland China; such company income tax will adversely affect the performance of the Sub-Fund concerned. Such Sub-Fund may also be subject to other taxes imposed in Mainland China, which may reduce the income from investments in the Sub-Fund.

The SICAV considers that the relevant Sub-Funds investing in China should be regarded as a Luxembourg tax residents and should be able to enjoy a tax exemption on capital gains under the Luxembourg-China double tax treaty.

As at the date of this Prospectus, the Chinese tax authorities have issued two tax circulars clarifying, amongst other things, the tax treatment in relation to Stock Connect:

The Chinese tax authorities have clarified that:

- an exemption from business tax and income tax on capital gains applies to trading on Stock Connect (this is stated to be a temporary exemption, but no expiry date is provided); and
- normal Chinese stamp duty is payable.

Investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and / or redeemed their Shares in / from the Sub-Fund.

Counterparties warning:

It is important to outline that to the extent any counterparty of the SICAV or a Sub-Fund involved in any type of transactions, is not entrusted with, or does not keep in safe custody assets of the SICAV or a Sub-Fund, the selection of such counterparty shall be under the SICAV's sole responsibility.

#### **5.10. Investments in Brazil**

Investors should be aware of the existence of a Brazilian Presidential Decree in force, as amended from time to time, detailing the current IOF tax rate (Tax on Financial Operation), that applies to foreign exchange inflows and outflows. The Brazilian government may change the applicable rate at any time and without prior notification, resulting in the fact that the change and the new rate cannot be anticipated by the Investment Manager. The application of the IOF tax rate will reduce the net asset value per share in case of investments in Brazil.



#### **5.11. Investments in Special Purpose Acquisition Companies (the “SPACs”)**

The SICAV may invest in stock, warrants, and other securities of SPACs or similar special purpose entities that pool funds to seek potential acquisition opportunities. Unless and until an acquisition is completed, a SPAC generally invests its assets (less a portion retained to cover expenses) in securities, money market fund securities and cash; if an acquisition that meets the requirements for the SPAC is not completed within a pre-established period of time, the invested funds are returned to the entity's shareholders. Because SPACs and similar entities are in essence blank check companies without an operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices.

#### **5.12. Cross Transactions**

Cross transactions may be executed by the broker-dealer operating for the account of both the SICAV and the broker-dealer's non discretionary client. Cross transactions allow the Investment Manager to buy or sell packages of securities for the SICAV's account at an agreed price that must correspond to the market price and may protect against unfavourable price movements, at times owing to the execution of such buy and sell orders on the market.

At any rate, investors must be aware of the fact that, once these cross transactions are executed, the Investment Manager may be in a conflict of interest situation, in case its affiliate receives commissions from both parties involved in the transaction.

#### **5.13. Duplication of costs**

To the extent that some Sub-Funds invest in securities issued by Undertakings for Collective Investment, depositary bank fees, auditing costs and administrative expenses may be invoiced either to said Sub-Funds or to the Undertakings for Collective Investment in which the Sub-Funds invest.

On the other hand, when Sub-Funds invest in Undertakings for Collective Investment that are not managed, be it directly or by way of a mandate, by the same management company or by any other company to which the management company is connected through joint management or control or a direct or indirect participation, then investment management fees, subscription or redemption rights may be invoiced either to said Sub-Funds or to the Undertakings for Collective Investment in which the Sub-Funds invest.

Grouping these charges together may, for the Shareholders of the aforementioned Sub-Funds, mean higher charges and expenses than those that would have been imputed to the Sub-Funds had they carried out their investments directly.

Moreover, if the Undertakings for Collective Investment in which these Sub-Funds have invested in turn invest in Undertakings for Collective Investment, trebled charges and expenses might end up being borne by the Shareholders of the aforementioned Sub-Funds.

#### 5.14. **FATCA related risks**

The SICAV may be subject to regulations imposed by foreign regulators, in particular, the Hiring Incentives to Restore Employment Act (the Hire Act) which was enacted into U.S. law in March 2010. It includes provisions generally known as FATCA. FATCA provisions generally impose a reporting to the U.S. Internal Revenue Service of non- U.S. financial institutions that do not comply with FATCA and U.S. persons' (within the meaning of FATCA) direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

Under the terms of FATCA, the SICAV will be treated as a Foreign Financial Institution (within the meaning of FATCA). However, the SICAV expects to be treated as a deemed compliant Foreign Financial Institution under the status of Collective Investment Vehicle (“**CIV**”) provided by the IGA (as defined under section 20.3). Accordingly, the SICAV will not need to fulfill the reporting obligations imposed on it under the IGA. Nevertheless, the SICAV may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Despite anything else herein contained, the SICAV shall have the right to:

- withhold any taxes or similar charges that it is legally required to withhold, whether by applicable laws and regulations, in respect of any shareholding in the SICAV;
- require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the SICAV in its discretion in order to comply with applicable laws and regulations and/or to promptly determine the amount of withholding to be retained;
- divulge any such personal information to any tax authority, as may be required by applicable laws or regulations or requested by such authority; and
- delay payments of any dividend or redemption proceeds to a Shareholder until the SICAV holds sufficient information to comply with applicable laws and regulations or determine the correct amount to be withheld.

#### 5.15. **Risks linked to investment in small and medium-capitalised companies (small and medium cap)**

Investment in small and medium-sized companies can involve more risks than those normally associated with investment in larger and better established companies. Smaller companies, in particular, often have limits as regards product range, markets or financial resources, and there may be only one or two key manager(s).

## 6. INVESTMENT RESTRICTIONS

Pursuant the principle of risk diversification, the SICAV's Board of Directors shall be entitled to determine the commercial and investment policies for the Sub-Funds' investments, the base currency for each Sub-Fund as well as the procedure for managing the SICAV and its business activities.

The following restriction and criteria shall be observed in relation to each Sub-Fund of the SICAV:

6.1 the SICAV's investment shall consist exclusively of:

- a) transferable securities and money market instruments listed or traded on a regulated market;
- b) transferable securities and money market instruments traded on any other regulated market, which operates regularly, recognised and open to the public, in any Member State of the European Union;
- c) transferable securities and money market instruments listed on official stock exchanges in any non-EU Member State or traded on any other regulated market, which operates regularly, recognised and open to the public, in any non-EU Member State: that is, stock exchanges or other regulated markets in any country of the US, Europe, Africa, Asia, and Oceania;
- d) recently issued transferable securities and money market instruments, provided that:
  - the terms of issue require the filing of an application to be admitted to the official list of a stock exchange or any other regulated market, which operates regularly, recognised and open to the public, that is to say a stock exchange or any other regulated market in any country of the US, Europe, Africa, Asia, and Oceania;
  - the admission is obtained no later than one year after the issue date;
- e) units of UCITS authorised under Directive 2009/65/EC (including, subject to the provisions of paragraph 6.21 below, any Sub-Fund of the SICAV) and/or other UCIs pursuant to article 1, paragraph (2), first and second comma, of Directive 2009/65/EC, whether or not established in an EU-Member State, provided that:
  - such other UCIs have been authorised under laws which provided that they are subject to supervision that CSSF (*Commission de Surveillance du Secteur Financier* – Surveillance Authority for the Financial Sector) considers as equivalent to that set out by the EU law and that cooperation among authorities is sufficiently guaranteed;
  - the level of protection guaranteed to holders of units in such other UCIs is equivalent to that provided for holders of units in a UCITS, and in particular that

the rules on segregation of assets, borrowing, lending, short selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;

- the business of such other UCIs is reported in Semi-Annual and Annual Reports allowing the assessment of assets and liabilities, income and operations over the reported period;
- no more than 10% of the assets of UCITS or such other UCIs, whose purchase for each Sub-Fund is envisaged, may, in compliance with their statutory documents, in aggregate be invested in units of other UCITS or UCIs;

f) deposits with credit institutions that are repayable on demand or have the right to be withdrawn, and will be due in no more than twelve months, provided that the credit institution has its registered office in an EU-Member State, or if the registered office is in a country that is not Member of the EU, provided that it is subject to prudential rules considered by the CSSF as equivalent to those provided by the EU legislation;

g) financial derivative instruments, including equivalent cash-settled instruments, which are traded on a regulated market as defined in points a), b) et c) above; and/or OTC derivative instruments, provided that:

- the underlying consists of instruments referred to in the above paragraph 6.1 points a) through f), financial indices, interest rates, foreign exchange rates or currencies, in which each Sub-Fund may invest according to its investment objectives, as defined in their respective investment policies;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and may, on the SICAV's initiative, be sold, liquidated or closed by an offsetting transaction, at any time at their fair value;

h) money market instruments other than those traded on a regulated market and envisaged in article 1 of the 2010 Law, provided that the issue or the issuer of such instruments is itself subject to regulations aimed at protecting investors and savings, and that such instruments are:

1. issued or guaranteed by a central, regional or local administration, by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international organisation one or more EU Member States belong to, or
2. issued by a company whose securities are traded on the regulated markets referred to above in paragraph 6.1 points a), b) or c), or

3. issued or guaranteed by an institution subject to prudential supervision, according to the criteria established by EU laws, or
  4. by an institution which is subject to and complies with prudential rules considered by the CSSF at least as strict as those provided by the EU legislation, or
  5. issued by other entities belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection regulations equivalent to those referred to in the above points 1, 2 and 3, and that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 (ten million Euro) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC. It has to be either an entity that, within a group of companies including one or more listed companies, is dedicated to the financing of the group or is an entity dedicated to the financing of securitisation vehicles benefiting from a banking credit line.
- 6.2 In addition the SICAV may invest a maximum of 10% of the net assets of any Sub-Fund in transferable securities and money market instruments other than those referred to under paragraph 6.1 above.
- 6.3 The SICAV may exclusively acquire movables or immovable property which is essential for the direct pursuit of its business.
- 6.4 The SICAV may not acquire precious metals or certificates representing them.
- 6.5 Each Sub-Fund of the SICAV may hold cash (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20 % of its total net assets on an ancillary basis in order to cover current or exceptional payments or in case of unfavorable market conditions in accordance with the limits subscribed under applicable law. The aforementioned limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavorable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Shareholders, for example in highly serious circumstances such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008. If the Investment Manager deems it to be in the best interest of the shareholders, the Sub-Fund may also hold, on a temporary basis and for defensive purposes, up to 100% of its net assets in cash.
- 6.6 The SICAV may not invest more than 10% of the net assets of each Sub-Fund in transferable securities and money market instruments issued by the same body. Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body. The SICAV's counterparty credit risk in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 6.1 point f) above, or 5% of its net assets in other cases.
- 6.7 Moreover, in addition to the limit prescribed in paragraph 6.6 above, the total value of transferable securities and money market instruments held by each Sub-Fund in

issuers in which the Sub-Fund invests more than 5% of its net assets may not exceed 40% of said Sub-Fund's net assets. Such limit shall not apply to deposits or to OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual restrictions set out in paragraph 6.6 above, no Sub-Fund may combine:

- investments in transferable securities or money market instruments issued by a single body,
- deposits made with a single body, and/or
- risks arising from OTC derivatives transactions with a single body, exceeding 20% of its net assets.

6.8 The 10% limit set out in paragraph 6.6, first sentence, is increased to a maximum of 35% if transferable securities and money market instruments are issued or guaranteed by a Member State of the European Union, its public local authorities or by a non-EU Member State or by public international body to which one or more EU-Member States belong.

6.9 The 10% limit set out in paragraph 6.6, first sentence, is increased to a maximum of 25% for bonds that fall under the definition of covered bonds in point (1) of Article 3 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 (the “**Directive (EU) 2019/2162**”), and for certain bonds where they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds issued before 8 July 2022 must be invested in accordance 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 reimbursement of the principal and payment of the accrued interest. Where the SICAV invests more than 5% of its assets in the aforementioned bonds which are issued by a single issuer, the total value of such investments may not exceed 80% of the value of the assets of the SICAV.

Transferable securities and money market instruments referred in paragraphs 6.8 and above shall not be taken into account in applying the 40% limit mentioned in paragraph 6.7 above. The limits set out in paragraphs 6.6, 6.7, 6.8 and 6.9 above may not be cumulated and, accordingly, investments in transferable securities or money market instruments of a single issuer, in deposits or derivatives made with said issuer pursuant to paragraphs 6.6, 6.7, 6.8 and 6.9 above, may not, in any case, in total exceed 35% of a Sub-Fund's net assets.

Companies which are included in the same group for account consolidation purposes, in accordance with Directive 83/349/CEE or in accordance with recognised internationally accounting rules, are considered as a single body when calculating the limits contained in this paragraph 6.6.

Each Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities or money market instruments within the same group.

**Moreover, in accordance with article 45 of the 2010 Law and notwithstanding the above limits, the SICAV is authorised to invest up to 100% of each Sub-Fund's net assets in different transferable securities and money market instruments issued or guaranteed by an EU Member State or by its local authorities, by any eligible non-EU country such as members of the G20, the Republic of Singapore and Honk Kong, or by public international organisations to which one or more EU Member States belong, provided that:**

- **each Sub-Fund holds securities belonging to at least six different issues;**
- **the Securities belonging to the same issue do not exceed 30% of the total net asset value of the Sub-Fund concerned.**

**Such options may only be exercised insofar as they comply with the respective policies of the different Sub-Funds.**

6.10 The limits foreseen in paragraph 6.6 may be raised to a maximum of 20% for investments in shares and/or bonds issued by the same body, if the aim of the Sub-Fund's investment policy is to replicate the composition of a particular share or bond index that is recognised by the CSSF, on the following basis:

- The index's composition is sufficiently diversified;
- The index represents an adequate benchmark for the market it refers to;
- The index is reported in an appropriate publication.

The 20% limit may be raised to 35% where justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or certain money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

6.11 The SICAV may acquire units of UCITS and/or other UCIs as referred to in paragraph 6.1 point e) above, providing that each Sub-Fund invests no more than 10% of its net assets in the same UCITS or another UCI (except if provided otherwise in the investment policy of each Sub-Fund).

For the purpose of applying this investment limit, each Sub-Fund of a UCI with multiple Sub-Funds is to be considered as a different issuer, providing that the principle of segregating the liabilities of different Sub-Funds with regard to third parties is ensured.

6.12 Investments in units of UCIs other than UCITS cannot in total exceed 30% of a Sub-Fund's net assets.

When the SICAV invests in units of UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purpose of the limits set out in paragraphs 6.6 and 6.7 above.

When the SICAV invests in units of UCITS and/or other UCIs that are managed directly or

by delegation by the same management company or by any other management company with which the management company is linked by common management or control, or by a direct or indirect holding, no subscription or redemption fees nor any investment management fee shall be borne by the SICAV within the context of its investments in other UCITS and/or other UCIs.

When the SICAV invests in units of UCITS and/or other UCIs other than those mentioned above, the maximum level of ongoing charges (excluding performance fees) borne by each Sub-Fund of the SICAV and by the UCITS and/or other UCIs in which it invests may not exceed 3.00% of each Sub-Fund's net assets.

In its annual report, the SICAV shall indicate the maximum percentage of ongoing charges charged both to each Sub-Fund and to the UCITS and/or to other UCIs in which each Sub-Fund has invested during the reporting year.

6.13 The SICAV's Sub-Funds may not acquire shares carrying voting rights which would enable the SICAV to exercise significant influence over the management of an issuing body;

In addition, the SICAV may not acquire more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the bonds of the same issuer;
- 25% of the units of the same UCITS and/or another UCI;
- 10% of money market instruments of the same issuer.

The limits foreseen under the second, third and fourth indents may be disregarded at the time of acquisition if, at that time, the gross amount of bonds or money market instruments, or the net amount of securities issued cannot be calculated.

6.14 The limits in paragraph 6.13 are not applicable to:

- transferable securities and money market instruments issued or guaranteed by any EU Member State or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
- transferable securities and money market instruments issued by public international organisations to which one or more EU Member States belong;
- share held by the SICAV in the capital of a company incorporated in a non-EU member State investing its assets mainly in securities of issuers having their registered office in that State if, under that State's legislation, such a holding represents the only way the SICAV can invest in the securities of the issuers of that State. However, this exemption is applicable only if the company of a non-EU Member State complies, in implementing its investment policy, with the limits established in paragraphs 6.6, 6.7, 6.8, 6.9, 6.10, 6.11 and 6.12.
- shares held by the SICAV in the capital of subsidiary companies carrying on solely for the exclusive benefit of the SICAV, management, advisory or marketing activities relating to the SICAV in the country where the subsidiary is located as far as the redemption of shares at the request of shareholders is concerned.



6.15 The SICAV is not required to observe:

- a) the aforementioned limits when exercising subscription rights attached to transferable securities or money market instruments which form part of its assets;
- b) paragraphs 6.6 to 6.12, during a period of six months following the date of its approval, providing that it observes the principle of risk diversification;
- c) The investment limits referred to in paragraphs 6.6 to 6.12 apply at the time transferable securities or money market instruments are purchased; if any of the limits referred to in this paragraph is exceeded, for reasons beyond the control of the SICAV or as a result of exercise of subscription rights, it must adopt as a primary objective for its sell transactions the remedying of that situation, taking the interests of Shareholders into account;
- d) To the extent that an issuer is a legal entity with multiple Sub-Funds where the assets of each Sub-Fund are exclusively reserved to the Shareholders of this Sub-Fund and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that Sub-Fund, each Sub-Fund is to be considered as a separate issuer for the purpose of applying the risk diversification principles referred to in paragraphs 6.6 to 6.12 above.

6.16 The SICAV may not borrow for any of the Sub-Funds except:

- a) where currencies are acquired through a back-to-back loan;
- b) in the case of loans for amounts of up to 10% of net assets per Sub-Fund, providing that any such loans are temporary;
- c) in the case of loans for amounts of up to 10% of net assets per Sub-Fund, providing that any such loans enable the purchase of immovable property deemed necessary for carrying out its activities; in any such case, these loans and those referred to under point b) of this paragraph may not, in any event, jointly exceed 15% of net assets per Sub-Fund of the SICAV.

6.17 The SICAV may neither grant loans to nor act as guarantor on behalf of third parties. This restriction does not prevent the SICAV from acquiring transferable securities, money market instruments, or other financial instruments referred to in paragraph 6.1 points e), g) and h) above, which are not fully paid.

6.18 The SICAV may not engage in the short selling of transferable securities, money market instruments, or other financial instruments referred to in paragraph 6.1) points e), g) and h) above.

6.19 The SICAV may not pledge or otherwise mortgage its assets, or transfer or assign them as a way of guaranteeing debt, except in the following cases:

- for back-to-back loans;
- for the loans foreseen in paragraph 6.16 above;
- for contracts requiring security to be offset or stood within the context of investment, hedging or securities deposit transactions, or where it resorts to the techniques and instruments referred to in Section 7 below, “Financial Techniques and Instruments”. The depositing of securities or other assets in a separate account in relation to options or transactions involving forward contracts, futures or other financial instruments shall not be regarded as a pledge, mortgage, transfer or assignment for the purpose of guaranteeing a debt.

## 6.20 Master – Feeder Structures

Each Sub-Fund may act as a feeder fund (the “**Feeder**”) of a UCITS or of a compartment of such UCITS (the “**Master**”), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. In such a case the Feeder shall invest at least 85% of its assets in shares/units of the Master.

The Feeder may not invest more than 15% of its assets in one or more of the following:

- a) ancillary liquid assets in accordance with Article 41 (2), second paragraph of the 2010 Law;
- b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the 2010 Law;
- c) movable and immovable property which is essential for the direct pursuit of the Sub-Fund’s business.

When a Sub-Fund qualifying as a Feeder invests in the shares/units of a Master, the Master may not charge subscription or redemption fees on account of the Sub-Fund’s investment in the shares/units of the Master.

Should a Sub-Fund qualify as Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in the Prospectus. In its annual report, the SICAV shall include a statement on the aggregate charges of both the Feeder and the Master.

Should a Sub-Fund qualify as a Feeder, the Master may not charge any subscription or redemption fees on account of the Sub-Fund’s investment in the shares/units of the Master.

Should a Sub-Fund qualify as a Master, the Feeder will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.

## 6.21 Possibility for a Sub-Fund to invest in another Sub-Fund within the SICAV

Any Sub-Fund may invest in and acquire Shares issued by one or more Sub-Funds within the SICAV (“**Target Fund(s)**”) under the following conditions:

- the Target Fund does not, in turn, invest in the Sub-Fund;
- not more than 10% of the assets of the Target Fund may be invested in aggregate in Shares of other Target Funds;
- the voting rights linked to the transferable securities of the Target Fund are suspended during the period of investment;
- in any event, for as long as these Shares are held by the SICAV, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- there is no duplication of management, subscription or redemption fees between any Sub-Fund investing in a Target Fund, and the Target Fund.

## **7. FINANCIAL TECHNIQUES AND INSTRUMENTS**

The SICAV may equally make use of techniques and instruments with underlying transferable securities and money market instruments, within the limits and according to the conditions referred to in Circular 08/356 issued by the CSSF on 4 June 2008, and providing that these techniques and instruments are:

- (i) used for the purpose of an efficient portfolio management,
- (ii) used to hedge exchange-rate and interest-rate risks within the context of investment management, or
- (iii) used with a view to hedging risks relating to the evolution of the stock markets.

### **7.1 Derivative instruments**

The SICAV must ensure that the global exposure relating to derivative instruments does not exceed the limits laid down in the regulations and circulars of the CSSF. These rules likewise apply to the following:

- in the case of derivative instruments, the global exposure of the underlying instruments may not exceed the investment limits prescribed in Section 6. “Investment Restrictions” of this prospectus; whenever the SICAV invests in index-based derivative instruments, these investments will not necessarily be considered in the calculation of the limits prescribed in Section 6. “Investment Restrictions”.
- if the underlying security of a derivative instrument is a transferable security or a money market instrument, then such instruments must be considered in the calculation of the restrictions illustrated in this Section 7. “Financial Techniques and Instruments”.

### **7.2 Securities Financing Transaction**

Based on Regulation EU 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation EU 648/2012 (the “**SFT Regulation**”), counterparts to securities financing transactions, such as securities lending transactions or repurchase and

reverse repurchase transactions, are subject to reporting and transparency obligations regarding these transactions. At present, no one of the Sub-Funds intend to take part in securities financing transactions, such as securities lending transactions, falling under the scope of the SFT Regulation, or to enter into total return swaps. Should this no longer be the case, this Prospectus and the relevant Sub-Fund's appendix will be amended in order to describe the characteristics of the transactions that the Sub-Funds will be involved in.

### **7.3 Collateral Management**

#### **General**

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, the SICAV may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the SICAV in such case.

#### **Eligible collateral**

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

- (a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (d) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the SICAV's net asset value to any single issuer on an aggregate basis, taking into account all collateral received.
- (e) It should be capable of being fully enforced by the SICAV at any time without reference to or approval from the counterparty.

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

- (a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU,

regional or worldwide scope;

- (c) Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (d) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;
- (e) Bonds issued or guaranteed by first class issuers offering adequate liquidity; and
- (f) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

#### Level of collateral

The SICAV will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

The SICAV will determine efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in the Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

<i>Type of transaction</i>	<i>Level of collateral (in relation to volume of transaction concerned)</i>
OTC financial derivative transactions	0%*

\* e.g. if the counterparty risk is anyway lower than 10% when the counterparty is a credit institution or 5% in other cases.

#### OTC financial derivative transactions

The SICAV will generally require the counterparty to an OTC derivative to post any collateral in favour of the Sub-Fund.

#### Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the SICAV for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the SICAV under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the SICAV for each asset class taking into account the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the SICAV under normal and exceptional liquidity conditions.

The following haircuts are applied:

<b>Asset Class</b>	<b>Haircut (% deduction from market value)</b>
<b>Liquidities</b>	
Liquidities in the following currency: EUR (other currencies not accepted)	0%
<b>Fixed Income</b>	
Short-term instruments (<1year) issued by one of the OECD countries with a minimum rating of A	1%
Short-term instruments (1year<5years) issued by one of the OECD countries with a minimum rating of A	4%
Mid-term instruments (5year<10years) issued by one of the OECD countries with a minimum rating of A	6%
Long-term instruments (>10year) issued by one of the OECD countries with a minimum rating of A	8%

#### Reinvestment of collateral

Non-cash collateral received by the SICAV may not be sold, re-invested or pledged. Cash collateral received by the SICAV can only be:

- (a) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (b) invested in high-quality government bonds;
- (c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the SICAV is able to recall at any time the full amount of cash on accrued basis; and/or
- (d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

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

A Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the relevant Sub-Fund to the counterparty at the

conclusion of the transaction. The relevant Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

#### **7.4 Regulation (EU) 2017/2402**

The SICAV will not make any investment into securitisations as described in the Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation (the “**Securitisation Regulation**”), unless otherwise specified in the Appendix I.

### **8. USE OF BENCHMARKS**

When calculating the performance fee payable to the Investment Manager, certain Sub-Funds are using benchmarks within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time (the “**Benchmarks Regulation**”).

Therefore, to comply with its legal obligations, the Board of Directors has adopted written plans setting out actions, which it will take with respect to the relevant Sub-Fund, in the event that any of the benchmarks listed in the table below materially changes or ceases to be provided (the “**Contingency Plans**”), as required by article 28(2) of the Benchmarks Regulation. Shareholders may access the Contingency Plans free of charge upon request at the registered office of the SICAV.

The benchmarks listed in the table below are being provided by the entity specified next to the name of the relevant benchmark in the table below, in its capacity as administrator, as defined in the Benchmarks Regulation (each a “**Benchmark Administrator**”). The status of each Benchmark Administrator in relation to the register referred to in article 36 of the Benchmarks Regulation as of the date of this e-identified Prospectus is set out next to the name of the relevant Benchmark Administrator in the table below.

<b>Benchmark(s)</b>	<b>Benchmark Administrator</b>	<b>Status of the Benchmark Administrator</b>
– MSCI WORLD TR Net	MSCI Limited	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.

<ul style="list-style-type: none"> <li>– Bloomberg Barclays Global Aggregate Total Return Index Value Hedged EUR</li> <li>– Bloomberg Barclays Global Aggregate 1-3 Years Total Return</li> </ul>	Bloomberg Index Services	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.
<ul style="list-style-type: none"> <li>– Eurostoxx50 index</li> </ul>	STOXX Ltd.	Listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator registered pursuant to article 32 of the Benchmarks Regulation.
<ul style="list-style-type: none"> <li>– S&amp;P500 index</li> </ul>	S&P DJI Netherlands B.V.	Listed in the register referred to in article 36 of the Benchmarks Regulation as an administrator registered pursuant to article 34 of the Benchmarks Regulation.
<ul style="list-style-type: none"> <li>– Euro short term rate ESTR index</li> </ul>	Bloomberg Index Services	Not listed in the register as it is an entity located in a country outside of the European Union and does not comply with the conditions laid down in article 30(1) of the Benchmarks Regulation nor has it required recognition in accordance with article 32 of the Benchmarks Regulation.

## 9. RISK MANAGEMENT PROCEDURE

The Management Company, or its delegate will use a risk management process enabling it to monitor and measure, at any time, the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company or its delegate shall also use a method for accurate and independent assessment of the value of OTC derivative instruments.

In case of commitment approach, each Sub-Fund must ensure that the sum of commitments arising from derivatives instruments does not exceed the net value of the portfolio.

Each Sub-Fund may invest, in accordance with its investment policy and within the limits laid down in Section 6, in financial derivative instruments, providing that the commitments related to the underlying asset do not exceed the investment limits laid down in Section 6. “Investment Restrictions”.



When a Sub-Fund of the SICAV invests in derivative instruments whose underlying asset is composed of financial indices, such investments should not be considered when applying the limits foreseen in Section 6. “Investment Restrictions”.

When a transferable security or money market instrument incorporates a derivative instrument, the latter should be considered when applying the requirements of this Section.

Pursuant to 2010 Law, as well as regulations and circulars in force, specifically CSSF Circular 11/512, as amended by CSSF Circular 18/698, each Sub-Fund must use a risk management process that assesses market exposure, liquidity risks and counterparty risks, as well as any other type of risk, including operational risks that prove to be material for the Sub-Fund.

## 10. SUSTAINABILITY-RELATED DISCLOSURES

Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “**SFDR**”), the SICAV is required to disclose the manner in which Sustainability Risks (as defined below) are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the SICAV.

“**Sustainability Risk**” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the SICAV.

Such risk is principally linked to climate-related events resulting from climate change (often referred to as physical risks) or to the society’s response to climate change (often referred to as transition risks), which may result in unanticipated losses that could affect the SICAV's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

Unless otherwise provided in the relevant Appendix, the SICAV does not actively promote sustainability factors (i.e. environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters) (“**Sustainability Factors**”) and does not maximize portfolio alignment with Sustainability Factors; however it remains exposed to Sustainability Risks. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk- adjusted returns.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Unless otherwise provided in the relevant Appendix, each Sub-Fund has a highly diversified portfolio. Therefore, it is expected that the Sub-Funds will be exposed to a broad range of Sustainability Risks, which will differ from investment to investment. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, some sectors or individual companies may be subject to greater regulatory or public pressure than other sectors and, thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Funds.

Notwithstanding the above and unless otherwise provided in the relevant Appendix, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities which are determined by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended from time to time (the “**EU Regulation 2020/852**”).

## 11. MANAGEMENT OF THE SICAV

The Board of Directors has appointed Edmond de Rothschild Asset Management (Luxembourg) as management company (the “**Management Company**”) responsible, under the supervision of the Board of Directors, for the management, and distribution of the SICAV and its Sub-Funds pursuant to a management company agreement dated 1 October 2016 (the “**Management Company Agreement**”). The rights and duties of the Management Company are further laid down in articles 107 and following of the 2010 Law.

The Management Company was incorporated as a public limited company (*société anonyme*) on 25 July 2002 and is subject to the laws of the Grand Duchy of Luxembourg, and its articles of incorporation were amended for the last time on 8 August 2024 and published in the RESA on 19 August 2024. The Management Company is registered with the Trade Register of Luxembourg under number B 88 591. The Management Company is duly authorized by the CSSF as a management company within the meaning of Chapter 15 of the 2010 Law.

At the date of this Prospectus, the composition of the board of directors of the Management Company is as follows:

- Mr Christophe Caspar, Chairman
- Mr Flavien Duval
- Mrs Katherine Blacklock
- Mr Marc Saluzzi

David Claus, Marc Fohr, Emmanuel Vergeynst and Arnaud Peraire Mananga are the managers responsible for the day-to-day activities of the Management Company within the meaning of article 102 of the 2010 Law and CSSF Circular 18/698.

The Management Company is vested with the day-to-day administration of the SICAV. In fulfilling its duties as set forth by the 2010 Law, the Management Company Agreement, the Management Company is authorised, for the purpose of more efficient conduct of its

business, to delegate, under its responsibility and control, and with the prior consent of the SICAV and subject to the approval of the CSSF, part or all of its functions and duties to any third parties (located in jurisdictions inside or outside the EEA, such as Switzerland), which, having regard to the nature of the functions and duties to be delegated, must be qualified and capable of undertaking the duties in question (the “**Management Company Service Providers**”). The Management Company shall remain liable to the SICAV in respect of all matters so delegated. In this context, the Management Company may be required to disclose and transfer to the Management Company Service Providers personal and confidential information about or related to the Shareholders, such as (where applicable) identification data and/or contact details (e.g. name, address, gender, country of residence, etc.), tax identification number and/or tax status, banking details (including the account number and/or the account balance), type of relationship, title or function, invested amount and/or origin of the funds, transaction information, contractual or other information/documentation, etc., (all together hereinafter referred to as the “**Confidential Information**”). Such Confidential Information may be transferred to Management Company Service Providers established in countries where professional secrecy or confidentiality obligations are not equivalent to the professional secrecy or confidentiality obligations imposed by Luxembourg law. In any event, the Management Company Service Providers are either subject to a professional secrecy obligation by application of law or contractually bound to comply with confidentiality rules. Further specific details regarding the delegated or outsourced services, the type of Confidential Information transmitted in this context and the Management Company Service Providers (including their country of establishment) may be obtained upon written request to the SICAV or the Management Company.

The Management Company will require any such agent to which it intends to delegate its duties to comply with the provisions of the Prospectus, the Articles and the relevant provisions of the Management Company Agreement.

In relation to any delegated duty, the Management Company will implement appropriate control mechanisms and procedures, including risk management controls, and regular reporting processes in order to ensure an effective supervision of the third parties to whom functions and duties have been delegated and that the services provided by such third party service providers are in compliance with the Articles, the Prospectus and the agreement entered into with the relevant third party service provider. The Management Company has delegated the following functions in respect of the SICAV and its Sub-Funds:

- the global distribution function to Banca del Sempione SA; and
- the investment management function to Banca del Sempione SA.

The Management Company will be careful and diligent in the selection and monitoring of the third parties to whom functions and duties may be delegated and ensure that the relevant third parties have sufficient experience and knowledge as well as the necessary authorisations required to carry out the functions delegated to them.

Edmond de Rothschild Asset Management (Luxembourg) may also act as independent data controller and process personal data in the context of its activities. The conditions under which such data is processed are detailed in the personal data protection charter of Edmond de Rothschild Asset Management (Luxembourg) which is available in several languages on the website [www.edmond-de-rothschild.eu](http://www.edmond-de-rothschild.eu) in the «your personal data» section. Further

information thereon may also be obtained at the following email address: DPO-eu@edr.com. The investors are kindly requested to transmit this charter to any relevant natural persons whose personal data could be processed by Edmond de Rothschild Asset Management (Luxembourg) as data controller, such as (where applicable) their board members, representatives, signatories, employees, officers, attorneys, contact persons, agents, service providers, controlling persons, shareholders/unitholders/limited partners, beneficial owners, and/or any other related persons.

The terms and conditions of the remuneration of the Management Company appear in Section 25. "Charges and Costs", and in more detail in the data sheets.

The Management Company Agreement has been entered into for an undetermined period of time and may be terminated by either party upon serving to the other a three months' prior written notice.

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the SICAV (the "**Remuneration Policy**").

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the SICAV or the Sub-Funds.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the SICAV and the Shareholders and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

- the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the SICAV in order to ensure that the assessment process is based on the longer-term performance of the SICAV and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period; and
- the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website [www.edmond-de-](http://www.edmond-de-)

rothschild.com<sup>1</sup>. A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.

## 12. INVESTMENT AND RISK MANAGEMENT

The Board of Directors is ultimately responsible for its management and control of its operations, as well as setting and implementing its investment policy. The Board of Directors has delegated the investment management functions to the Management Company.

In relation to each Sub-Fund, the Management Company may, under its overall control and responsibility, delegate its functions, privileges and duties to purchase and sell securities and otherwise to manage the portfolios of the Sub-Funds for the account and in the name of the SICAV to one or several investment managers (the “**Investment Manager(s)**”) whom it may consider appropriate.

The Investment Manager(s), if any, shall provide the Management Company with advice, reports and recommendations in connection with the management of the assets of the Sub-Fund(s) and shall advise the Management Company as to the selection of liquid assets and other securities and assets constituting the portfolios of the Sub-Funds. The Investment Manager(s) shall have discretion, on a day-to-day basis and subject to the overall control and responsibility of the Management Company, to purchase and sell such liquid assets and other securities and otherwise to manage the portfolio(s) of the Sub-Fund(s). Any management activities of the Investment Manager(s) shall be subject to compliance with the investment objective, policy and restrictions of the relevant Sub-Funds as set out in this Prospectus as well as with any additional restrictions and directions notified by the Management Company to the relevant Investment Manager(s) from time to time.

Any Investment Manager(s) may sub-delegate its(their) powers to one or more sub-investment managers (the “Sub-Investment Manager(s)”). The Investment Manager will remain fully responsible to the SICAV and the Management Company for the proper performance of all the delegated duties.

Details on each Investment Manager or sub-investment manager appointed in relation to a Sub-Fund are provided in relation to such Sub-Fund in Appendix I.

On a quarterly basis, the SICAV shall pay to the Investment Manager an investment management fee calculated on the average net asset value of each Sub-Fund during the quarter to which it applies. The investment management fees specified per Sub-Fund are detailed in Appendix I.

Furthermore the Investment Manager is entitled to receive a performance fee whose calculation and frequency are described in Appendix I for each of the relevant Sub-Funds.

Some or all these fees – investment and performance fees - may be paid by the Investment Manager to other third parties service providers, if any, such as Sub-Investment Managers,

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<sup>1</sup> To find the Remuneration Policy, scroll down to the bottom of the page and select Legal Information. Then, select Luxembourg on the left hand side of the website and you will find the list of available policies.

Investment Advisors, Distributors and Nominees as remuneration for the services provided in favour of the SICAV.

Once all the relevant third parties are paid, the Investment Manager will keep the remaining part of the management and performance fees.

As several Investment Managers may be appointed to manage the assets of a Sub-Fund, the Board of Directors shall assign each manager a portion of the portfolio of the relevant Sub-Fund, considering the proportions that the Board of Directors decides at its discretion. Each Investment Manager will ensure that the portion of the assets he manages is compliant with the investment policy and restrictions applicable to the Sub-Fund.

The Management Company or its delegates ensures also that each Investment Manager fulfils its obligations and that the investment policies and restrictions applicable for each Sub-Fund are complied with.

### **Soft dollar practices**

When selecting brokers and negotiating transaction charges, the Investment Managers may consider research and other services and, as they deem appropriate, may use a portion of commissions generated when executing client transactions to acquire research and brokerage services. The Investment Managers shall provide the Management Company with such information or reports regarding the Investment Manager's soft dollar practices as the Management Company shall reasonably request.

## **13. INVESTMENT ADVISOR**

One or several investment advisor(s) (the "**Investment Advisor**") may be appointed by the Management Company or by any appointed Investment Manager(s) in order to assist the Management Company / Investment Manager(s) in relation to the management of the assets of a Sub-Fund. The Investment Advisor(s) shall merely provide advice to the Management Company / Investment Manager(s), with the investment decision-making power remaining at all times within the Management Company / Investment Manager(s).

In case of the appointment of any Investment Advisor(s) by the Management Company / Investment Manager(s), the Management Company / Investment Manager(s) shall exercise reasonable care in the selection and supervision of the relevant Investment Advisor(s).

Details on each Investment Advisor appointed in relation to a Sub-Fund are provided in relation to such Sub-Fund in Appendix I.

## 14. DEPOSITARY BANK, DOMICILIARY AGENT AND UCI ADMINISTRATOR

### DEPOSITARY

CACEIS Bank, Luxembourg Branch is acting as the SICAV's depositary (the "**Depositary**") in accordance with a depositary agreement dated 14<sup>th</sup> November 2025 as amended from time to time (the "**Depositary Agreement**") and the relevant provisions of the 2010 Law.

CACEIS Bank acting through its Luxembourg branch (CACEIS Bank, Luxembourg Branch) is a public limited company (*société anonyme*) incorporated under the laws of France with a share capital of 440,000,000 Euros having its registered office located at 89-91, rue Gabriel Peri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Nanterre. It is an authorised credit institution supervised by the European Central Bank ("ECB") and the Autorité de contrôle prudentiel et de résolution ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

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

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Fund's assets, and it shall fulfil the obligations and duties provided for by Part I of the 2010 Law. In particular, the Depositary shall ensure an effective and proper monitoring of the SICAV's cash flows.

In due compliance with the 2010 Law the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of Shares of the SICAV are carried out in accordance with the applicable national law and the 2010 Law or the Articles;
- (ii) ensure that the value of the Shares is calculated in accordance with the 2010 Law, the Articles and the procedures laid down in the Directive 2009/65/EC;
- (iii) carry out the instructions of the SICAV, unless they conflict with the 2010 Law, or the Articles;
- (iv) ensure that in transactions involving the SICAV's assets any consideration is remitted to the SICAV within the usual time limits; and
- (v) ensure that a SICAV's income is applied in accordance with the 2010 Law and the Articles.

The Depositary may not delegate any of the obligations and duties set out in (i) to (v) of this clause.

In compliance with the provisions of the Directive 2009/65/EC, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to 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 2010 Law.

A list of these correspondents/third party custodians are 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 SICAV, 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 SICAV'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 SICAV, 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 SICAV, notably, administrative agency and registrar agency services.

The SICAV and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The SICAV may, however, dismiss the Depositary only if a new depositary bank is appointed within two (2) months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Sub-Funds have been transferred to the new depositary bank.

The Depositary has no decision-making discretion nor any advice duty relating to the SICAV's investments. The Depositary is a service provider to the SICAV 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 SICAV.

## **UCI ADMINISTRATOR**

CACEIS Bank, Luxembourg Branch is established at 5, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg and registered with the Trade Register under number B209310 and is acting as the UCI Administrator of the SICAV in accordance with a UCI administration agreement dated 14<sup>th</sup> November 2025 as amended from time to time and the applicable rules, including the CSSF Circular 22/811.

The UCI administration activity may be split into three main functions: the registrar function, the NAV calculation and accounting function, and the client communication function.



The registrar function encompasses all tasks necessary to the maintenance of the SICAV's register and performs the registrations, alterations or deletions necessary to ensure its regular update and maintenance.

The NAV calculation and accounting function is responsible for the correct and complete recording of transactions to adequately keep the SICAV's books and records in compliance with applicable legal, regulatory and contractual requirements as well as corresponding accounting principles. It is also responsible for the calculation and production of the NAV of the SICAV in accordance with the applicable regulation in force.

The client communication function is comprised of the production and delivery of the confidential documents intended for investors.

CACEIS Bank, Luxembourg Branch may outsource, for the performance of its activities, IT and operational functions related to its activities as UCI Administrator, in particular as registrar and transfer agent activities including shareholders and investor services, with other entities of the group CACEIS, located in Europe or in third countries, and notably in United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the outsourcing provider data related to the investor, such as name, address, date and place of birth, nationality, domicile, tax number, identity document number (in case of legal entities: name, date of creation, head office, legal form, registration numbers on the company register and/or with the tax authorities and persons related to the legal entity such as investors, economic beneficiaries and representatives), etc. In accordance with Luxembourg law, CACEIS Bank, Luxembourg Branch has to disclose a certain level of information regarding the outsourced activities to the SICAV, which will communicate these information to the investors. The SICAV will communicate to the investors any material changes to the information disclosed in this paragraph prior to their implementation.

The list of countries where the group CACEIS is located is available on the Internet site [www.caceis.com](http://www.caceis.com). We draw your attention to the fact that this list could change over time.

## **DOMICILIATION AGENT**

CACEIS Bank, Luxembourg Branch is acting as the domiciliation agent of the SICAV in accordance with a domiciliation agreement dated 14<sup>th</sup> November 2025 as amended from time to time.

## **15. DISTRIBUTOR AND NOMINEE**

The Management Company has appointed Banca del Sempione SA as distributor and nominee (the “**Distributor and Nominee**” or “**Nominee**”).

The Distributor and Nominee may provide nominee services to its clients, who have invested and/or will invest in the SICAV, according to the terms and conditions prescribed in the Distributor and Nominee agreement in force which have been stipulated between the Management Company and the Distributor and Nominee, and in compliance with the regulations applicable in the distribution countries. Such services may include, *inter alia*:

(a) Coordination of the necessary documentation and legal procedures to obtain SICAV

authorization in the relevant distribution countries, at first and in the long run;

(b) Organization of the distribution network, including:

- Identifying potential markets and key actors through commercial initiatives,
- Preparing and conducting a preliminary due diligence questionnaire (DDQ) for potential distributors,
- Establishing agreements with distribution partners,
- Maintaining relationships with the distribution network,
- Managing remuneration exchanges with third parties,
- Processing payments,
- Ensuring the distribution network remains informed and aligned regarding SICAV documentation,
- Providing general assistance to the distribution network as needed;

(c) Liaising with the Management Company to address any distribution-related oversight.

With reference to the Distributor and Nominee agreement, the Nominee shall be registered in the Register of Shareholders, instead of the clients who have invested in the SICAV. The terms and conditions of Distributor and Nominee agreement establish, among other things, that a client who has invested in the SICAV through a Nominee may, at any time, require that the Shares thus subscribed shall be transferred to his/her name, as a result of which the client will be registered under his/her name in the Register of Shareholders with effect from the date on which the instructions are duly provided by the Nominee<sup>2</sup>.

Copy of Distributor and Nominee agreement shall be available for review at the registered offices of the SICAV and of the Distributors and Nominee during office hours.

The Distributor and Nominee has the authority to appoint sub-distributors (the “**Sub-Distributors**”) to market and distribute the Shares. However, the liability of the Distributor and Nominee towards the Management Company will not be affected by any delegation of functions by the Distributor and Nominee.

The investors shall know that Shares may be subscribed through the Nominee or directly at the SICAV.

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

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<sup>2</sup> With reference to the Italian market, the Italian Paying Agent may act as nominee upon a mandate given by the retail investor when he subscribes the shares or in a second phase. Pursuant this mandate, the Italian Paying Agent will: i) collect and forward subscription, conversion, and redemption applications in cumulative form to the UCI Administrator ; ii) register the shares in its own name on behalf of third-party name in the SICAV shareholder register; iii) execute all services and procedures necessary for the exercise of voting rights upon request of the shareholders; iv) make available to shareholders the documents and information received by the SICAV and in accordance with applicable laws. For more details regarding the mandate of the Italian Paying Agent, potential shareholders are invited to read the subscription form in force in Italy.

## **Remuneration of the Distributor and Nominee**

In addition to any subscription fees that it may receive, as described in Section 20 “Issue of Shares and Subscription and Payment Procedures” paragraph 20.1 “Current Subscriptions”, the Distributor and Nominee is paid periodic fees as remuneration for its administrative assistance services provided to investors.

Such fee shall be paid by the SICAV and will amount to a maximum of 0.05% per annum of the average net assets of the relevant Sub-Fund.

## **16. CONFLICT OF INTEREST**

Conflicts of interest may arise between the SICAV and the persons or entities involved in providing services to the SICAV and/or Management Company and/or Sponsor and/or Investment Managers and/or other service providers or counterparties of the SICAV.

The Management Company, Sponsor and Investment Managers may respectively act as management company, sponsor and investment managers of other investment funds - incorporated by companies other than the SICAV, with similar objectives and that make investments similar to those made on behalf of the SICAV - and/or other clients and they may act in other capacity in respect of these other investment funds or clients.

Directors, Shareholders, members, administrator, conducting persons, officers, or employees of the Management Company and/or Sponsor and/or Investment Managers may act as directors, Shareholders, members, administrator, conducting persons, officers, or employees of sponsors and/or investment managers and/or advisors tied to other funds and clients.

Therefore it is possible for the Management Company, Sponsor and Investment Managers as well as their directors, Shareholders, members, administrator, conducting persons, officers, or employees to be, in the course of their business, in a potential conflict of interest with the SICAV.

The Management Company, Sponsor and Investment Managers as well as their directors, Shareholders, members, administrators, conducting persons, officers, or employees will endeavour to ensure that such conflicts are resolved fairly and in the SICAV's best interests.

The SICAV's directors and conducting persons may also be directors or conducting persons and/or act in another capacity for third-party investment funds.

Since the interest of such third-party investment funds and the SICAV's interest result in conflict, the SICAV's directors and conducting persons will endeavour to ensure that such conflicts are resolved fairly and in the SICAV's best interests.

Some of the SICAV's activities, such as, for example, investment management, investment advisory, risk management, distribution, and brokerage services, may be delegated to service providers belonging to Banca del Sempione SA group.

Banca del Sempione SA will endeavour to ensure that such conflicts are resolved fairly and in the SICAV's best interests.

## 17. SHARES

The Shares must be fully paid-up and are issued without any mention of their value. There is no restriction on the number of Shares that may be issued. The shares redeemed shall be cancelled.

The classes of Shares available as at the date of this Prospectus are listed in paragraph 20.1 "Current subscriptions".

The Shares are registered for each Sub-Fund.

No certificate representing registered Shares shall be issued; instead, the UCI Administrator shall issue a confirmation of registration in the Register of Shareholders, held at the UCI Administrator's registered office.

Fractions of Shares to four decimals shall be issued, except for Shares traded on the ATFund Market of Borsa Italiana S.p.A which shall be issued without decimals.

Each share bears a voting right. The rights assigned to the Shares are those set out under Luxembourg Law of 10 August 1915 on commercial companies and subsequent modifications, providing there is no derogation under 2010 Law. Shareholders do not have any preferential subscription right for new Shares. All Shares may be freely transferred and have identical rights to the profits, liquidation proceeds and, where applicable, dividends, of the Sub-Fund they refer to. Fractions of Shares do not bear any voting right but do participate in the distribution of dividends and the distribution of whatever proceeds arise from the liquidation of assets.

The SICAV draws the investors' attention to the fact that any investor may only be able to fully exercise their rights directly in the SICAV (in particular the right to participate in the general Shareholders' meetings) provided that investor is registered himself and in his own name in the register of Shareholders. If an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the SICAV. Investors are advised to take advice on their rights.

The sale of Shares of certain Sub-Funds or Classes may be restricted to the entities covered by article 174 (2) of the 2010 Law ("**Institutional Investors**") and the SICAV will not issue or give effect to any transfer of Shares of such Sub-Funds or Classes to any investor who may not be considered as an Institutional Investor. The SICAV may, at its discretion, delay the acceptance of any subscription for Shares of a Sub-Fund or Class restricted to Institutional Investors until such date as it has received sufficient evidence on the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Shares of a Sub-Fund or Class restricted to Institutional Investors is not an Institutional Investor, the SICAV will, at its discretion, either redeem the relevant Shares in accordance

with the provisions under Section 12 of the General Section or convert such Shares into Shares of a Sub-Fund or Class which is not restricted to Institutional Investors (provided there exists such a Sub-Fund or Class with similar characteristics) and which is essentially identical to the restricted Sub-Fund or Class in terms of its investment object (but, for avoidance of doubt, not necessarily in terms of the fees and expenses payable by such Sub-Fund or Class), unless such holding is the result of an error of the SICAV, the Management Company or their agents, and notify the relevant Shareholder of such conversion.

Considering the qualification of a subscriber or a transferee as Institutional Investor, the SICAV will have due regard to the guidelines or recommendations (if any) of the competent supervisory authorities.

Institutional Investors not subscribing in their own name, but on behalf of a third party, may be required to certify that such subscription is made either on behalf of an Institutional Investor or on behalf of a Retail Investor provided in the latter case that the Institutional Investor is acting within the framework of a discretionary management mandate and that the Retail Investor has no right to lay a claim against the SICAV or the Management Company for direct ownership of the Shares.

### **Shares held jointly**

Shares may be held jointly; but the SICAV shall recognize only one person with the right to exercise the rights attached to each of the Shares. Unless decided differently by the Board of Directors, the person empowered to exercise these rights shall be the person whose name appears first in the subscription form.

### **Investing and trading of Shares on Regulated Markets or Multilateral Trading Facilities**

The Shares can be listed on one or more Regulated Markets or traded in Multilateral Trading Facilities in order to be traded on the secondary market.

The purpose of the listing of the Shares on the Regulated Markets or their trading in Multilateral Trading Facilities is to allow investors to buy or sell Shares in a different way than would be possible through the primary market.

In accordance with the requirements of the relevant Regulated Market or Multilateral Trading Facility, market makers or appointed intermediaries can facilitate the trading of the Shares on the secondary market.

#### **Trading of Shares on the ATFund Market of Borsa Italiana S.p.A.**

Since 1 December 2014, Borsa Italiana S.p.A has authorised the listing of Italian and foreign UCITS into the UCITS Segment of the ETFplus Market of Borsa Italiana S.p.A (the “**ETFplus Market**”).

Following closure of the ETFplus Market UCITS Segment (the last trading day was 28<sup>th</sup> September 2018) and simultaneous launch of ATFund Market, an independent Multilateral Trading Facility (“**MTF**”), organized and operated by Borsa Italiana S.p.A., as from 1<sup>st</sup> October 2018, shares of open-ended UCITS that were listed and negotiated on the ETFplus Market have been automatically transferred to the ATFund Market.

The trading of the Shares on the ATFund Market requires the appointment of an appointed intermediary (the “**Appointed Intermediary**”) which supports the execution of the unfilled orders to buy and sell for a relevant day of trade.

The orders to buy and sell the Shares are executed at the NAV per share communicated by the Appointed Intermediary, on behalf of the issuer, to Borsa Italiana S.p.A. on a daily basis. Pursuant to the settlement rules of Borsa Italiana S.p.A., the orders to sell and buy related to the Shares traded on the ATFund Market will be settled three business days following the relevant day of trade when the request was introduced and in compliance with the trading calendar published by Borsa Italiana S.p.A. and available for public information. Investors are duly advised to consult this calendar before making any orders.

Even though the trading of the Shares on a Multilateral Trading Facility can reduce the ongoing costs for the relevant classes, Shareholders are also informed that the trading into the ATFund Market encompasses costs, such as remuneration of the Appointed Intermediary. The costs related to the listing of the Shares will exclusively be borne by the relevant classes traded on this market.

Equita SIM S.p.A has been appointed as Appointed Intermediary for the purpose of supporting the execution of the unfilled buy and sell orders, in accordance with the market rules of Borsa Italiana S.p.A.

## 18. NET ASSET VALUE

The net asset value per share for each Sub-Fund and, if there are more than one class of Shares in a Sub-Fund, the net asset value per share for each class of Shares, are determined at such frequency indicated in the Sub-Fund Appendices (the “**Valuation Date**”) by the UCI Administrator under the responsibility of the Board of Directors and its delegate. The net asset value of a relevant Valuation Date is calculated and published on the first Business Day following this Valuation Date (the “**NAV Calculation Day**”).

For the purpose of the annual and semi-annual reports, a net asset value will be calculated as at the last day of either the financial year or the half year period.

For the Sub-Funds which do not have a daily Valuation Date, the SICAV may, at its discretion, calculate an additional net asset value on days which are not a Valuation Date. The said additional net asset value cannot be used for subscription, redemption or conversion purposes and will be calculated for information purposes only. Specific mention will be made in the Appendix of the relevant Sub-Fund for which the SICAV will use this option.

For the avoidance of any doubt, it is clarified that the net asset value will not be calculated on any Luxembourg business day where Borsa Italiana S.p.A is closed, as stated in the relevant Sub-Fund Appendix.

The net asset value is expressed in the reference currency established for each Sub-Fund, in Appendix I.

The net asset value per share of a Sub-Fund on a Valuation Date shall be determined by dividing the SICAV's net asset value corresponding to such Sub-Fund, i.e. the SICAV's assets attributable to such Sub-Fund minus the liabilities attributable to same Sub-Fund, by the number of the Sub-Fund's outstanding Shares on the Valuation Date and shall be rounded up or down to the nearest whole number in the Sub-Fund's base currency. In the case of more than one class in a Sub-Fund, the net asset value per share of a share class within the Sub-Fund on a Valuation Date shall be determined by dividing the Sub-Fund's net asset value corresponding to the class, i.e. the Sub-Fund's assets attributable to the share class minus the liabilities attributable to same share class, by the number of the share class's outstanding Shares on said Valuation Date and shall be rounded up or down to the nearest whole number in the share class's base currency. To avoid all possible doubts, the unit of a Sub-Fund's or a share class's reference currency corresponds to this currency's smallest unit (e.g. in the case of EUR, one cent).

The Board of Directors shall establish for each Sub-Fund a distinct portfolio of net assets. As far as relationships among Shareholders are concerned, this portfolio shall be attributed only to those Shares issued by the Sub-Fund concerned.

The total net asset value of the SICAV is expressed in Euro. The consolidation of the different Sub-Funds is obtained by converting in Euro the net assets of the different Sub-Funds and summing them.

The valuation of the net assets of the SICAV's different Sub-Funds and/or share classes shall be assessed as follows:

**I. The SICAV's assets specifically consist of:**

1. all cash on hand and cash deposits, including interest due but not yet received and interest accrued on such deposits until the Valuation Date;
2. all notes and bills payable at sight and accounts receivable (including the proceeds from the sale of securities not yet received);
3. all securities, units, shares, bonds, option or subscription rights and other investments and transferable securities owned by the SICAV;
4. all dividends and distributions receivable by the SICAV in cash or in securities which, to the best of the SICAV's knowledge, were due;
5. all interest matured but not yet received and all interest accrued until the Valuation Date by securities owned by the SICAV, except where such interest is included in the principal of these securities;
6. the SICAV's formation costs, insofar as they have not been amortised;
7. all other assets, whatever their nature, including prepaid expenses.

**The value of these assets shall be determined in the following manner:**

1. The value of cash in hand and on cash deposits, notes and bills payable at sight and accounts receivable, prepaid expenses and dividends and interest declared or matured but not yet received shall be valued on the nominal value of such assets, except where it seems unlikely that this amount will be received; in which case, the value shall be determined by deducting an amount that the Board of Directors considers adequate to reflect the real value of these assets.

2. The valuation of any security listed on an official stock exchange or any other regulated market, regularly operating, recognised and open to the public is based on the last known price in Luxembourg on the Valuation Date and, if this security is traded on several markets, on the basis of the last known price on its principal market; if the last known price is unrepresentative, the valuation shall be based on its probable realisation value, as estimated by the Board of Directors prudently and in good faith.
3. All the European bond futures (and options) will be valued at their settlement price, and the US bond futures (and options) will be valued using a snapshot at 17.15 (Luxembourg Time).
4. All the other futures (and options) will be valued at their settlement price.
5. Securities not listed or traded on a stock exchange or any other regulated market, regularly operating, recognised and open to the public, will be valued in accordance with their probable realisation value, as estimated by the Board of Directors prudently and in good faith.
6. Securities denominated in a currency other than the relevant Sub-Fund's reference currency shall be converted using the average exchange rate of the relevant currency.
7. Units of Undertakings for Collective Investment are valued considering their last available net asset value or market prices (if available).
8. Swaps are valued at their fair value, based on the last closing price known for the underlying security.
9. Money market instruments that are not listed or traded on a stock exchange or any other regulated market shall be valued at their nominal value plus accrued interest or on the basis of amortised costs.
10. All other transferable securities and assets shall be valued at their fair value, as determined in good faith and in accordance with the procedures established by the Board of Directors or by a committee designated for this purpose by the Board of Directors.

For the purpose of determining the value of the SICAV's assets, CACEIS Bank, Luxembourg Branch (as UCI Administrator), having due regards to the standard of care and diligence in this respect, may completely and exclusively rely upon the valuations provided by the various valuation sources.

In particular, for the valuation of any assets for which market quotations or fair market values are not publicly available (including but not limited to unlisted structured or credit-related instruments and other illiquid assets), CACEIS Bank, Luxembourg Branch (as UCI Administrator) will exclusively rely on the latest valuations available in Luxembourg.

If one or more sources of quotation are not able to provide relevant valuations to CACEIS Bank, Luxembourg Branch (as UCI Administrator) or, if for any reason, the value of any asset of the SICAV may not be determined as rapidly and accurately as required, the SICAV and/or the UCI Administrator may decide to suspend the Net Asset Value calculation and not to calculate the Net Asset Value and, consequently, not to determine subscription, redemption and conversion prices in which case the relevant entity will immediately inform the SICAV. If necessary, the SICAV and the UCI Administrator may decide to suspend the calculation of the Net Asset Value in accordance with section 18. The SICAV or the UCI Administrator will be responsible to notify the Shareholders of any such suspension in accordance with section 19. "Suspension of net asset value calculation and of the issue, redemption and conversion of Shares".



In the absence of bad faith, willful default, gross negligence or manifest error, every decision to determine the Net Asset Value taken by the UCI Administrator shall be final and binding on the Sub-Fund and present, past or future Shareholders. The UCI Administrator will assume no liability if a price used reasonably believed by it to be the fair market value of a position is found not to be such.

With respect to the protection of investors in case of a Net Asset Value calculation error, an instance of non-compliance with the investment rules and other errors at UCI level, the principles and rules set out in CSSF Circular 24/856 of 28 March 2024, as amended from time to time, shall be applicable. As a result, the liability of the UCI Administrator in the context of the net asset value calculation process shall be limited to the tolerance thresholds applicable to the SICAV set out in CSSF Circular 24/856, as amended from time to time.

## **II. The SICAV's liabilities shall include specifically:**

1. all borrowings, bills due and accounts payable;
2. all known debt securities, matured or not, including all matured contractual obligations that require payments in cash or in kind (including dividend amounts that have been declared by the SICAV but not yet paid);
3. all reserves, authorised or approved by the Board of Directors, particularly those established to covering potential capital losses on certain investments made by the SICAV;
4. all other liabilities, whatever their nature, with the exception of those represented by the SICAV's own resources. In order to assess the value of these other liabilities, the SICAV shall take into account all expenses to be borne by it, including, without limitation: formation costs and costs of subsequent amendment of the Articles, fees and costs due to the advisors, Management Company, Managers, Distributors and Nominees, Depositary Bank, Correspondent Agents, UCI Administrator, Paying Agents, brokers or other agents and officers of the SICAV, as well as to the SICAV's permanent representatives in those countries where it is subject to registration; the costs of legal assistance and of auditing the SICAV's Annual Reports, promotion costs, printing and publishing costs for documents for the sale of Shares, the printing costs for annual and semi-annual financial reports, the costs of holding Shareholders' Meetings and Board of Directors meetings, reasonable travel expenses incurred by the directors and managers; attendance fees; registration notification fees; all taxes and duties charged by Government authorities and stock exchanges, and the cost of publishing issue, redemption and conversion price as well as all other operating costs, including financial, banking and brokerage costs incurred further to the purchase or sale of assets or other instruments and all other administrative charges.  
When determining the amount of these liabilities, the SICAV shall consider *prorata temporis* all expenses – administrative or otherwise – of an ordinary or periodic nature.
5. As far as relationships between Shareholders are concerned, each Sub-Fund is considered a separate entity, generating without restriction its own contributions, capital gains and capital losses, expenses and charges. The SICAV constitutes one and the same legal entity, while in dealings with third parties and, in particular dealing with SICAV's creditors, each Sub-Fund shall be exclusively liable for its liabilities. Any assets, liabilities, charges and expenses that are not attributable to a Sub-Fund shall be imputed to the various Sub-Funds in equal proportion or, where the amounts involved justify it, on a *prorata* basis to their respective net assets.

III. Each SICAV share in the process of redemption, shall be considered as a share issued and existing until the close of business of the applicable Valuation Date for the redemption of this share, and its price - from the close of business of this day and until the price has been paid - shall be regarded as a liability for the SICAV.

Each share to be issued by the SICAV, in accordance with the subscription applications received, is deemed to be issued after the close of the Valuation Date on which its issue price is determined and its price shall be treated as an amount due to the SICAV until it has been received by it.

IV. Insofar as is possible, every investment or disinvestment decided by the SICAV until the Valuation Date shall be taken into account.

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

The Board of Directors is authorised to suspend temporarily the calculation of the net asset value of one or more Sub-Funds of the SICAV, as well as the issue, redemption and conversion of Shares in the following situations:

- a) for the entire period during which a market or stock exchange that is the principal market or stock exchange where a substantial portion of a SICAV Sub-Fund's investments is listed, is closed, except for normal closing days, or the trading is subject to significant restrictions or is suspended;
- b) whenever the political, economic, military, monetary, social situation or any event of force majeure, falling outside the responsibility or powers of the SICAV, makes it impossible to value or have access to its assets in any reasonable and normal way, without seriously prejudicing the interests of the Shareholders;
- c) whenever an interruption in the means of communication normally used to determine the price of a significant part of the investments of a Sub-Fund of the SICAV prevents the net asset value from being correctly calculated within a normal timeframe;
- d) whenever forex restrictions or capital movement prevent transactions from being effected on behalf of the SICAV or whenever transactions involving the buying and selling of the SICAV's assets cannot be realised at normal exchange rates;
- e) where so decided by the Board of Directors, on the understanding that the principle of equality among Shareholders as well as all applicable laws and regulations are duly observed, (i) from the convening of a Shareholders' Meeting that is to resolve upon the liquidation/winding-up of the SICAV, a Sub-Fund or a class of Shares, or, (ii) providing that the Board of Directors can resolve in this regard, from when the Board of Directors passes resolutions on the liquidation/winding-up of a Sub-Fund or a class of Shares;
- f) once there is no means of determining the price of the Undertakings for Collective Investment in which the SICAV has invested (when the calculation of the net asset value of the Undertaking for Collective Investment concerned is suspended);
- g) in case a Sub-Fund qualifies as a feeder fund of a master fund, following the suspension of (i) the calculation of the net asset value per share/unit, (ii) the issue, (iii) redemption, and/or (iv) the conversion of the shares/units issued within the master fund in which the Sub-Fund invests; and
- h) one or more sources of quotation are not able to provide relevant valuations to CACEIS

Bank, Luxembourg Branch (as UCI Administrator) or, if for any reason, the value of any asset of the SICAV may not be determined as rapidly and accurately as required.

Whenever exceptional circumstances may adversely effect the interests of the Shareholders, or in the event of big redemption requests as described in Section 22. “Redemption of Shares”, the Board of Directors reserves the right to determine the value of a share only after the necessary assets have been sold, as quickly as possible, on behalf of the Sub-Fund.

Those subscribers and Shareholders submitting Shares for redemption or conversion shall be notified that the calculation of the net asset value has been suspended upon receipt of their subscription, redemption or conversion requests.

The subscription, redemption and conversion requests suspended may be withdrawn by way of a written notice if it is received by the SICAV before the end of the suspension period.

Pending subscriptions, redemption and conversions shall be taken into account on the first Valuation Date following the end of the suspension period.

## **20. ISSUE OF SHARES AND SUBSCRIPTION AND PAYMENT PROCEDURES**

Shares are issued for different share classes within each Sub-Fund, at any time and with no restriction.

The Sub-Funds currently open for subscription are those described in Section 3. “General Characteristics of the SICAV”.

### **20.1 Current subscriptions**

The investor has the choice to indicate in the subscription applications the number of Shares or the amount, in the classes of Shares specified for each Sub-Fund in Appendix I.

After the close of the initial subscription period, subscription applications must be received by the UCI Administrator by 3:00 pm (Luxembourg time) on the Valuation Date.

Exception is made for BASE INVESTMENTS SICAV – MULTI ASSET CAPITAL APPRECIATION FUND OF FUNDS for which subscription applications must be received by the UCI Administrator by 3:00 pm (Luxembourg time) two business days before the Valuation Date.

If accepted, subscription applications will be processed based on the relevant share class’ net asset value calculated on the NAV Calculation Day. Applications received after the cut-off time will be processed on the next Valuation Date.

A subscription fee may be received by authorised intermediaries as specified for each of the relevant Sub-Funds in Appendix I.

Subscribers are advised that additional fees may be charged by local paying agents or

similar entities in countries where the SICAV is distributed.

Investors may pay the subscription price for each share no later than three Business Days after the applicable Valuation Date.

For classes L traded on the ATFund Market of Borsa Italiana S.p.A, investors may pay the subscription price for each share no later than three Business Days, i.e. that is a business day in Luxembourg and on which Borsa Italiana S.p.A. is open, after the applicable Valuation Date, as defined in the relevant Sub-Funds Appendices.

The amounts subscribed shall be payable in the reference currency of the Sub-Fund and of the share class concerned, and should be paid into the appropriate account of the UCI Administrator, in accordance with the payment instructions stipulated in the subscription documents available at the registered office of the SICAV and at the registered office of the Representative in Switzerland. Subscription applications in other freely convertible major currencies shall be accepted, but in such cases exchange expenses shall be borne by the subscriber.

The Board of Directors may also apply the swing pricing mechanism as described herein. Sub-Funds may suffer dilution of the net asset value per Share due to investors buying or selling Shares at a price that does not take into account dealing and other costs arising when the Investment Manager makes or sells investments to accommodate cash inflows or outflows. To counteract this, a partial swing pricing mechanism may be adopted to protect shareholders' interests. If on the Valuation Day, the aggregate net transactions in Shares for a Sub-Fund exceeds a pre-determined threshold, as determined by the Board of Directors from time to time, the net asset value may be adjusted upwards or downwards to reflect net inflows and net outflows respectively. The extent of the price adjustment will be set by the Board of Directors, or via a delegation, by the Investment Manager, to reflect dealing and other costs. Such adjustment is not expected to exceed 2% of the original net asset value per Share.

Shares may, at the discretion of the Board of Directors, be issued taking into account the contribution to Sub-Funds in transferable securities inasmuch as those latter observe the investment policies and the restrictions set out in this prospectus and their value is equal to the issue price of the respective Shares. Any transferable securities added to the Sub-Fund shall be valued separately in a special report produced by the SICAV's auditor, at the expense of the subscriber concerned. These contributions in kind in transferable securities, are not subjected to any brokerage charges. The Board of Directors shall only accept this option if (i) it is a request of the investor concerned; and (ii) the transfer does not negatively affect the existing Shareholders.

The SICAV reserves the right to:

- a) Refuse some or all of a share subscription application;
- b) Redeem, at any time, Shares held by persons who are not authorised to buy or own the Shares.

The SICAV may authorise the subscription of Shares through savings plans whose conditions will be determined in compliance with the laws and the provisions in force in the jurisdictions where it is offered. The conditions will be described in the sell documents (i.e.

subscription form) available in these countries.

## **20.2 Restrictions imposed on the subscription and holding of Shares and anti-money laundering measures**

Anti-money laundering measures require the detailed verification of investors' identities pursuant to international rules and the Luxembourg laws and regulations relating to anti-money laundering requirements and financing of terrorism purposes (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, as well as circulars of the supervising authority). The SICAV (as well as the Management Company and the UCI Administrator acting on behalf of the SICAV) reserves the right to request, pursuant to its risks based approach, all the necessary information to verify an investor's identity according to the aforementioned laws and regulations. The UCI Administrator may also require, at any time, additional documentation to comply with applicable legal and regulatory requirements. Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons, unless required by applicable laws and regulations. In the event that the investor is late producing, or fails to produce, the information required for verification purposes, the SICAV (as well as the Management Company, each intermediary and UCI Administrator acting on behalf of the SICAV) may refuse to accept the subscription and the payments associated with it and in case of a redemption request, the payment of the redemption proceeds and/or dividends may not be processed.

Neither the SICAV nor the UCI Administrator have any liability for delays or failure to process deals as a result of the investor providing no or only incomplete documentation.

Shareholders may be, pursuant to the UCI Administrator's risks based approach, requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations.

The Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Management Company or the Board of Directors might result in the SICAV incurring any liability or taxation or suffering any other disadvantage which the SICAV may not otherwise have incurred or suffered.

## **20.3 FATCA**

According to the Board of Directors of the SICAV, the SICAV qualifies as a Collective Investment Vehicle pursuant to the intergovernmental agreement concluded between Luxembourg and the United States of America on 28 March 2014 to improve international tax compliance and with respect to FATCA (the "IGA") as implemented by the Luxembourg law dated 24 July 2015, and is as such a "deemed-compliant" FFI under FATCA and the IGA. Therefore all Shares may only be issued, sold or otherwise transferred to or held by or through exempt beneficial owners, active non-financial foreign entities, US Persons that are not Specified US Persons, or Financial Institutions that are not Non-Participating Financial Institutions, as each defined by the IGA (the "**FATCA Eligible Investors**"), only.

In case the SICAV discovers that any Shares are not held by a FATCA Eligible Investor, the SICAV may charge such Shareholders with any taxes or penalties imposed on the SICAV attributable to such Shareholders' non-compliance under the IGA and FATCA, and the SICAV may, in its sole discretion, redeem such Shares.

Furthermore, the SICAV may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of other investors and/or the relevant Sub-Fund or the SICAV as a whole.

## **20.4                      Common Reporting Standard**

The SICAV may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "**Standard**") and its Common Reporting Standard (the "**CRS**") as set out in the law dated 18 December 2015 implementing the CRS in Luxembourg (the "**CRS Law**").

Under the terms of the CRS Law, the SICAV is generally treated as a Luxembourg Reporting Financial Institution (*institution financière déclarante*). However, under the CRS Law, the SICAV expects to be treated as a non reporting financial institution under the category of Exempt Collective Investment Vehicle ("**ECIV**"), as defined by the CRS Law. This status implies that the Shares to be offered, sold or otherwise transferred to, or held by or through, individuals or Entities that are not Reportable Persons, except a Passive NFE with Controlling Persons who are Reportable Persons, as each defined by the CRS Law (the "**CRS Eligible Investors**") only.

In case the SICAV discovers that any Shares in the SICAV are not held by a CRS Eligible Investor, the SICAV may charge such Shareholders with any taxes or penalties imposed on the SICAV attributable to such Shareholders' non-compliance under the CRS Law, and the SICAV may, in its sole discretion, redeem such Shares.

Furthermore, the SICAV may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interest of other investors and/or the relevant Sub-Fund or the SICAV as a whole.

## **20.5                      Personal data protection**

The Fund will use, process and share your Personal Data in accordance with the General Data Protection Regulation (EU) 2016/679 as amended from time to time and the related privacy notice which can be viewed on the website of the SICAV, <https://www.basesicav.lu/Privacy-Notice-5f62eb00?i=1>.

## 21. TRANSFER AND CONVERSION OF SHARES

### 21.1 Transfer of Shares

Registered Shares may usually be transferred by providing the UCI Administrator with a suitable transfer instrument. Upon receiving a transfer request, the UCI Administrator may – after having examined the endorsement(s) – ask the signatures to be guaranteed by an approved bank, broker or notary. The Shareholders are advised to contact the UCI Administrator before the transfer, in order to ensure that the bank has the right documents to proceed with the transaction.

### 21.2 Conversion of Shares

Any Shareholder may request total or partial conversion of the Shares held in a share class into Shares of another class in the same or in a different Sub-Fund, at a price equal to the net asset value of the Shares held in the different classes.

No conversion fee is applied. However, subscribers are advised that additional fees may be charged by local paying agents or similar entities in countries where the SICAV is distributed.

Shareholders requiring a conversion must submit a written request, by fax, to the UCI Administrator, indicating the number of Shares to be converted. The application must be accompanied by a conversion form duly filled out or by any other document confirming the conversion. The UCI Administrator must receive the application no later than 3:00 pm (Luxembourg time) on the Valuation Date.

Shares belonging to classes L traded on the ATFund Market of Borsa Italiana S.p.A. cannot be converted, but only sold on the market.

The number of Shares allocated to the new Sub-Fund is determined according to the following formula:

$$A = \frac{(B \times C \times D) \div X_p}{E}$$

- A** is the number of Shares to be allocated to the new class,
- B** is the number of Shares to be converted from the initial class,
- C** is the net asset value on the applicable Valuation Date of the Shares to be converted from the initial class,
- D** is the applicable exchange rate between the currencies of the two classes on the effective transaction date,
- E** is the net asset value on the applicable Valuation Date of the Shares to be allocated to the new class.

Shares may be converted in fractions up to four decimal points.

**Xp** is the remaining balance after the conversion that will be reimbursed if the amount exceeds 1% of the net asset value of the initial Sub-Fund. If less than 1%, the amount will go in favour of the initial class, Shareholders have the right to request reimbursement of amounts not allocated.

After the conversion, the UCI Administrator will inform the investor of the number of new Shares obtained as a result of the conversion and their price.

## **22. REDEMPTION OF SHARES**

Any Shareholder may, at any time, request total or partial redemption of Shares held in the SICAV. The Shares redeemed by the SICAV will be cancelled.

The redemption request must be submitted in writing, by fax, to the UCI Administrator. The request must be irrevocable (except for the provisions pursuant to Section 19. "Suspension of Net Asset Value Calculation and of Issuing, Redemption, and Conversion of Shares"), and it must indicate the number of Shares to be redeemed, the name in which they are registered, the Sub-Fund and share class, and all useful references to execute payment of the redemption.

Shares belonging to classes L traded on the ATFund Market of Borsa Italiana S.p.A can only be sold on the market.

To be executed on a certain Valuation Date, the redemption requests must be received by the UCI Administrator in Luxembourg by 3:00 pm (Luxembourg time) on the Valuation Date.

Exception is made for BASE INVESTMENTS SICAV – MULTI ASSET CAPITAL APPRECIATION FUND OF FUNDS for which redemption requests must be received by the UCI Administrator in Luxembourg by 3:00 pm (Luxembourg time) two business days before the Valuation Date.

If accepted, redemption requests for each Sub-Fund will be processed based on the relevant share class' net asset value calculated on the NAV Calculation Day. Applications received after the cut-off time will be processed on the next Valuation Date.

For each Sub-Fund, the redemption price is equal to the net asset value per share determined on the relevant Valuation Date.

No redemption fee is applied. However, subscribers are advised that additional fees may be charged by local paying agents or similar entities in countries where the SICAV is distributed.

Payment for the redeemed Shares is executed no later than three Business Days after the applicable Valuation Date, provided that all the documents pertaining to the redemption have been received by the UCI Administrator.

Exception is made for BASE INVESTMENTS SICAV – MULTI ASSET CAPITAL APPRECIATION FUND OF FUNDS for which payment for the redeemed Shares is executed



no later than four (4) Business Days after the applicable Valuation Date, provided that all the documents pertaining to the redemption have been received by the UCI Administrator.

For classes L traded on the ATFund Market of Borsa Italiana, investors will receive the relevant redemption proceeds no later than three Business Days, i.e. that is a business day in Luxembourg i and on which Borsa Italiana S.p.A. is open, after the applicable Valuation Date, as defined in the relevant Sub-Funds Appendices.

Payment will be executed in the currency of Sub-Fund, in the currency of the class of Shares, or in any other currency indicated in the redemption request, in which case the exchange cost will be borne by the investor.

Nevertheless, if on a Valuation Date, redemption and conversion requests are superior to 10% of a Sub-Fund's net assets, the Board of Directors may decide that the part of the redemption or conversion requests exceeding 10% of the Sub-Fund's net assets should be carried forward to the next Valuation Date, all redemption and conversion requests shall be reduced on a prorata basis. Requests thus postponed shall be taken into account prior to any further requests, subject however that the Board of Directors may carry forward any applications in excess of the previously mentioned 10% limit.

The Board of Directors may, at its discretion, but according to the laws in force and after receiving an audited report produced by the SICAV's auditor at the expense of the Shareholder concerned, pay the redemption price to the relevant Shareholder by way of a contribution in kind in transferable securities or in other assets of the relevant Sub-Fund, until the redemption amount is reached. The Board of Directors shall only use this option if (i) it is requested by the Shareholder concerned; and (ii) the transfer does not negatively affect the remaining Shareholders.

The redemption price of the Shares may be higher or lower than the purchase price paid by the Shareholder when the Shares have been subscribed, depending on whether their net value has increased or decreased in the meantime.

### **Late Trading**

The term "late trading" refers to the acceptance of a subscription, conversion or redemption order received after the cut-off time established for the acceptance of orders on a given day and such order is executed at a price based on the Net Asset Value ("**NAV**") applicable on the same day.

The SICAV believes that no "late trading" practice may be allowed at all, since it breaches the requirements of this prospectus, which establish that an order received after the cut-off time for the acceptance of orders is executed at a price based on the next applicable NAV. As a result, subscriptions, conversions and redemptions should be considered on the basis on an unknown NAV.

The cut-off time established for the acceptance of the aforementioned orders is indicated in this Section as well as in Sections 20 and 21.

## **Market timing**

The term “market timing” refers to the arbitrage procedure through which an investor systematically subscribes and redeems or converts units or Shares of the same UCI within a short timeframe, by taking advantage of time differences and/or imperfections or deficiencies in the system used to determine the UCI’s NAV.

Subscriptions, redemptions and conversions are always carried out at an unknown Net Asset Value. The SICAV does not authorise practices associated with market timing, and reserves the right to reject any subscription, redemption and conversion order coming from an investor whom the SICAV suspects of engaging in such practice and to take all necessary measures to protect the other SICAV’s investors.

## **23. DISTRIBUTION POLICY**

Except as otherwise stated in the appendix of the relevant Sub-Fund, the Shares in the “bond” Sub-Funds are distribution Shares. Consequently for these Sub-Funds, investors have a right to be paid a dividend which they may re-invest in the SICAV.

Shares of the other Sub-Funds are capitalisation Shares. Income generated by the Shares in these Sub-Funds is automatically re-invested. However, in any fiscal year, the Board of Directors may propose, at the Annual Shareholders’ Meeting, a dividend pay-out to investors in these Sub-Funds in accordance with laws in force in Luxembourg.

The allocation of distributions, such as dividend, shall be determined by the Annual Shareholders’ Meeting acting on a proposal from the Board of Directors. No distribution may be effected if, after it has been announced, the NAV of the SICAV is below the minimum threshold prescribed by law, *i.e.* EUR 1.250.000,-.

Each resolution deliberated at Annual Shareholders’ Meetings deciding to distribute dividends to Shares of any Sub-Fund shall be put to a vote as required by law, to the Shareholders of the Sub-Fund concerned, the majority of which must vote in favour.

For the “bond” Sub-Funds and the “short-term” Sub-Fund, the Board of Directors may decide for an interim dividend payment on the year just concluded or the current year in accordance with law.

If the Board of Directors decides to propose a dividend payment to the Annual Shareholders’ Meeting, the dividend payment is calculated in accordance with laws and Articles in force at the time. Shareholders registered in the Shareholders Register will be paid by bank transfer in accordance with instructions given. Investors will have the option of re-investing their dividends without charges up to the last available integer unit. Dividends not claimed within five years after the payment date will be forfeited for the beneficiaries and transferred back to the relevant Sub-Fund.

The Annual Shareholders’ Meeting passes the resolution on dividend pay-outs.

## 24. TAXATION

### 24.1 Taxation of the SICAV

#### 24.1.1. Subscription tax

The SICAV is as a rule subject to an annual subscription tax in Luxembourg of 0.05% *per annum* of the net assets of each Sub-Fund.

This rate is however reduced to 0.01% *per annum* in case of a sub-fund or a share class of a sub-fund of the SICAV is reserved to institutional investors.

Such tax is payable quarterly and calculated on the Net Asset Value of the relevant category at the valuation day.

An exemption from subscription tax applies in the following cases:

- (a) for the value of the assets represented by shares or units held in other undertaking collective investments (“**UCIs**”) to the extent such shares or units have already been subject to the subscription tax provided by the amended law of 13 February 2007 on specialised investment funds or the 2010 Law;
- (b) for UCIs, as well as individual sub-funds of UCIs with multiple sub-funds:
  - i. the securities of which are reserved for institutional investors; and
  - ii. the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions; and
  - iii. the weighted residual portfolio maturity of which does not exceed 90 days; and
  - iv. that have obtained the highest possible rating from a recognised rating agency;
- (c) for UCIs, the securities of which are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employers’ initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they hold, in order to provide their employees with retirement benefits; or
- (d) UCIs as well as individual sub-funds of umbrella UCIs with multiple sub-funds whose main objective is the investment in microfinance institutions.
- (e) for UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and (ii) whose exclusive object is to replicate the performance of one or more indices.

All classes dedicated to Institutional Investors as detailed under APPENDIX I – SUB-FUNDS should benefit from a reduction rate of the subscription tax of their net assets.

This tax is payable quarterly based on the SICAV’s net assets calculated at the end of the

quarter to which the tax is applicable.

#### **24.1.2. Withholding tax**

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the SICAV to its Shareholders under the Shares. There is also no withholding tax on the distribution of liquidation proceeds to the Shareholders.

#### **24.1.3. Income tax**

The SICAV is not liable to any Luxembourg income tax in Luxembourg.

#### **24.1.4. Value added tax**

The SICAV is considered in Luxembourg as a taxable person for value added tax (“VAT”) purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the SICAV could potentially trigger VAT and require the VAT registration of the SICAV in Luxembourg. As a result of such VAT registration, the SICAV will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the SICAV to its Shareholders, to the extent such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

#### **24.1.5. Other taxes**

No stamp duty or other tax is payable in Luxembourg up on the issue of Shares against cash, except a fixed registration duty of EUR 75 upon the SICAV’s incorporation or if the Articles are amended.

The SICAV is exempt from net wealth tax.

Some of the SICAV portfolio’s income paid in the form of dividends and interest may be subject to variable rate withholding taxes at the source charged in the country of origin. As the SICAV itself is exempt from income tax, withholding tax levied at source, if any, is not creditable/refundable in Luxembourg. It is not certain whether the SICAV itself would be able to benefit from Luxembourg’s double tax treaties network. Whether the SICAV may benefit from a double tax treaty entered into by Luxembourg must be analysed on a case-by-case basis. Indeed, as the SICAV is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties entered into by Luxembourg may directly be applicable to SICAV.

### **24.2 Taxation of the Shareholders**

#### **Shareholder’s tax residence**

A Shareholder does not obtain tax residence in Luxembourg solely based on holding,

transfer, conversion, or delivery of Shares or the execution, performance, delivery and/or enforcement of its rights and obligations under the Shares.

#### **24.2.1. Income tax**

##### **24.2.1.1. *Luxembourg non-residents***

Shareholders, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are not liable to any Luxembourg income tax on income received and capital gains realised upon the sale, disposal or redemption of the Shares.

Non-resident corporate Shareholders having a permanent establishment or a permanent representative in Luxembourg, to which or whom the Shares are attributable, must include any income received, as well as any gain realised on the sale, disposal or redemption of the Shares, in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold, repurchased or redeemed.

##### **24.2.1.2. *Luxembourg residents***

Resident Shareholders are not subject to income tax in case of reimbursement of capital contributed to the SICAV.

##### **24.2.1.2.1 *Luxembourg resident individual***

Dividends and other payments deriving from Shares received by resident individual Shareholders who act in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the progressive ordinary rates.

Capital gains realised upon disposal of the Shares by resident individual Shareholders, acting in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of less than six months after their acquisition, or if their disposal precedes their acquisition. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his spouse and/or his minor children, either directly or indirectly, at any time within the five (5) years preceding the realisation of the gain, more than ten percent (10%) of the share capital of the SICAV or (ii) the taxpayer acquired free of charge, within the five years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators, in case of successive transfers free of charge within the same five-year period). Capital gains realised on a substantial participation more than six months after their acquisition are subject to income tax according to the “half global rate” method, (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a

contribution or any other kind of alienation of the Shares.

Capital gains realised upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

#### **24.2.1.2.2      *Luxembourg resident companies***

Luxembourg resident corporate companies holders of Shares must include in their taxable income in Luxembourg any income received, as well as any capital gains realised on the transfer, disposal, or redemption of Shares. The amount of taxable capital gains is equal to the difference between the sell or redemption price and the lesser of subscription price and book value of the Shares sold or redeemed.

#### **24.2.1.2.3      *Luxembourg resident companies benefit from an exceptional tax scheme***

Luxembourg resident Shareholders which benefit from a special tax regime (such as the rules applicable to UCI subject to the 2010 Law, specialised investment funds subject to the amended Law of 13 February 2007, and family wealth management companies governed by the amended Law of 11 May 2007) are exempt entities in Luxembourg and therefore not subject to any income tax in Luxembourg.

#### **24.2.2.      Net wealth tax**

A Luxembourg resident Shareholder, as well as a non-resident Shareholder, who has a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, is subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual, (ii) an UCI subject to the 2010 Law, (iii) a specialised investment fund governed by the amended law of 13 February 2007, or (iv) a family wealth management company governed by the amended law of 11 May 2007. A Luxembourg resident securitisation company governed by the amended law of 22 March 2004 on securitisation and a Luxembourg resident company governed by the amended law of 15 June 2004 on venture capital vehicles should include the market value of such Shares into the determination of their minimum net wealth tax charge according with the amended law of 16 October 1934 on net wealth tax.

### **24.2.3. Other taxes**

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his death, the Shares are included in his taxable basis for inheritance tax purposes. On the contrary, no estate or 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 tax purposes at the time of his death.

Luxembourg gift tax may be levied on a gift or donation of the Shares if embodied in a Luxembourg notarial deed or registered in Luxembourg.

Interested parties are encouraged to inform themselves and, as the case may be, to seek professional advice concerning the laws and regulations applicable to the purchasing, holding and redemption of the Shares.

### **EXCHANGE OF INFORMATION – FATCA**

Although the SICAV will attempt to satisfy any obligation imposed on it to maintain its CIV status under the IGA, and more generally to avoid imposition of FATCA withholding tax, no assurance can be given that the SICAV will be able to satisfy these obligations. If the SICAV becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by the Shareholder may suffer material losses. A failure for the SICAV to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities (“LTA”) may trigger the 30% withholding tax to be imposed on payments of U.S. source incomes and on proceeds from the sale of property or other assets that could give rise to U.S. source interest and dividends.

In addition, the SICAV will be obliged to regularly obtain and verify information on all of its Shareholders. Upon request of the SICAV, each Shareholder shall agree to provide certain information, including, in case of Non-Financial Foreign Entity (“NFFE”) (within the meaning of the IGA, the direct or indirect U.S. owners above a certain threshold of ownership of such NFFE, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the SICAV within thirty days any information that would affect its status, as for instance a new mailing address or a new residency address.

FATCA and the IGA may result in the obligation for the SICAV to disclose the name, address and taxpayer identification number (if available) of the Shareholder as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the LTA under the terms of the IGA. Such information will be onward reported by the LTA to the U.S. Internal Revenue Service.

Additionally, the SICAV is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the SICAV are to be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.

Any Shareholder that fails to comply with the SICAV’s documentation requests may be charged with any taxes imposed on the SICAV attributable to such Shareholder’s failure to

provide the information and the SICAV may, in its sole discretion, redeem the Shares of such Shareholder, in particular if such Shareholder does not qualify as a FATCA Eligible Investor.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this U.S. withholding tax and reporting regime.

Shareholders should consult a U.S. tax advisor or otherwise seek professional advice regarding the above requirements.

## **EXCHANGE OF INFORMATION – COMMON REPORTING STANDARD**

Although the SICAV will attempt to satisfy any obligation imposed on it to maintain its ECIV status under the CRS Law, no assurance can be given that the SICAV will be able to satisfy these obligations. Under this scenario, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the SICAV documentation, the SICAV will be required to annually report to the LTA personal and financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain Shareholders as per the CRS Law (the “**Reportable Persons**”) and (ii) Controlling Persons of certain non-financial entities (“**NFEs**”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the “**Information**”), will include personal data related to the Reportable Persons.

The SICAV’s ability to satisfy its reporting obligations under the CRS Law will depend on each shareholder providing the SICAV with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that the SICAV will process the Information for the purposes as set out in the CRS Law. The Shareholders undertake to inform their controlling persons, if applicable, of the processing of their Information by the SICAV.

The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS Law will be disclosed to the LTA annually for the purposes set out in the CRS Law. The personal data may be disclosed by the LTA to foreign tax authorities.

In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the LTA.

Similarly, the Shareholders undertake to inform the SICAV within thirty (30) days of receipt of these statements should any included personal data be not accurate.

The Shareholders further undertake to immediately inform the SICAV of, and provide the SICAV with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Shareholder that fails to comply with the SICAV’s Information or documentation requests may be held liable for penalties imposed on the SICAV and attributable to such Shareholder’s failure to provide the Information or subject to disclosure of the Information by the SICAV to the LTA.



In this respect, the relevant information provided in the CRS Form in Annex 1 needs to be executed in order to comply with the legislation mentioned above. More specifically, the CRS Form – Individuals is to be executed by prospective shareholders who invest as individuals, i.e. as natural persons, and the CRS Form – Entities is to be executed by prospective Shareholders who invest via an entity or a legal arrangement.

If you have any questions about your classifications under the CRS Law, you should contact your tax advisor.

## **25. CHARGES AND COSTS**

The SICAV will pay for its incorporation costs, including costs for drafting and printing the prospectus, notary fees, registration costs with the administrative and securities exchange authorities, and every other cost in connection with the incorporation and launch of the SICAV.

Formation expenses are amortised over the first five accounting years.

If a new Sub-Fund is formed in future, it will pay for its own incorporation costs which will be amortised over a five-year period, starting from the launch date of this Sub-Fund.

Each Sub-Fund will be charged all of the expenses and disbursements which are attributable to it including, for the avoidance of doubt, index or benchmark fees. Costs and charges not attributable to a particular Sub-Fund are chargeable to the different Sub-Funds proportionately to their respective net assets.

The SICAV bears all operating costs illustrated in Section 18. “Net Asset Value”, paragraph II 4.

The Domiciliary Agent, the Depositary, and the UCI Administrator will be authorized to receive the following commissions deducted from the SICAV's assets: a maximum of 0.10% per annum of the average net assets of the relevant Sub-Fund, as agreed in writing between the parties as needed. In addition to this remuneration, the Domiciliary Agent, the Depositary Bank, and the UCI Administrator are authorized to receive other commissions and fees applied for the processing of specific operations or transactions. These other commissions and fees are negotiated and agreed from time to time between the SICAV and/or the Domiciliary Agent and/or the Depositary Bank and/or the UCI Administrator as indicated in the relevant agreements.

For the provision of their services, the fees charged to the SICAV by the Management Company shall amount to a maximum of 0.06% per annum of the average net assets of the relevant Sub-Fund with a minimum of EUR 20,000.00 per Sub-Fund and per year.

For its services rendered to the SICAV, the Distributor and Nominee will be remunerated by the SICAV and these fees shall amount to a maximum of 0.05% per annum of the average net assets of the relevant Sub-Fund.

Such fees will be allocated between the Depositary Bank, the Domiciliary Agent, the UCI Administrator, the Management Company, the Distributor and Nominee and any sub-contractor of the Depositary Bank, the Domiciliary, the UCI Administrator, the Management Company and the Distributor and Nominee as agreed from time to time in writing between the parties.

Additional fees may be indicated in each supplement.

In addition to the above-mentioned fees, the Management Company and the Depositary Bank are entitled to any other fees for specific services and transactions as agreed from time to time between the SICAV and the Management Company / Depositary Bank (the “**Other Fees**”), as disclosed in their respective agreement. Other Fees include for example set-up fees, listing fees, fees in relation to the organization of Board of Directors meetings, Shareholders meetings, financial statements, extraordinary net asset value calculation, KID preparation, implementation of the swing pricing mechanism, etc.

The Management Company and the Depositary Bank are further entitled to be reimbursed by the SICAV for their respective reasonable out-of-pocket expenses properly incurred in carrying out their duties as such and for the charges of any correspondents.

## **26. GENERAL SHAREHOLDERS’ MEETINGS**

General Shareholders’ Meeting is held each year at the SICAV’s registered office or at any other place in Luxembourg, as indicated in the convening notice.

The annual General Meeting is held at such place and time as decided by the Board of Directors and specified in the convening notice to the meeting within four (4) months as of the end of the financial year.

Notices for all General Meetings shall be sent by registered letter to all Shareholders registered in the Register of Shareholders, or by e-mail if such Shareholder has accepted to receive them via this mean, to their address indicated in the Register, at least 8 days before the General Meeting.

Such notices shall indicate the time and place of the General Meeting as well as the admission requirements, the agenda and all the Luxembourg legal requirements concerning quorum and majority.

Any amendment to the Articles that leads to a change in the rights of a Sub-Fund must be approved by a resolution passed by a General Meeting of Shareholders of the Sub-Fund concerned.

## **27. WINDING-UP - MERGER**

### **27.1 Winding-up of the SICAV's Classes**

The SICAV may be liquidated further to a resolution of the General Meeting acting as specified in the law regarding the amendments of the Articles.

Any such resolution to wind up the SICAV shall be published in the *Mémorial*.

Once the resolution of winding-up takes effect, the issue, redemption, and conversion of Shares of any Sub-Fund involved shall be prohibited or the relevant Shares shall otherwise be declared null and void.

If the share capital is less than two-thirds of the minimum capital prescribed by law, the Board of Directors shall convene a General Meeting to propose the question of winding up the SICAV. The General Meeting shall debate without conditions of quorum and decide by simply majority of the Shares represented. If the SICAV's share capital is less than one quarter of the minimum capital, the Directors shall present the issue of winding up the SICAV to the General Meeting without any conditions of quorum; the winding-up may be declared by those Shareholders holding one quarter of the Shares represented at the meeting.

The General Meetings must be convened in such a way that it is held within forty days of the date when it is declared that the SICAV's assets are less than two-thirds or one quarter of the minimum capital requirement respectively.

The winding-up of the SICAV, if decided, shall be carried out by one or more liquidators, who may be individual persons or legal entities and who shall be appointed by the General Meeting of Shareholders. Said meeting shall determine their powers and emoluments.

Winding-up procedures shall be effected in compliance with the 2010 Law, specifying the way in which the net proceeds of said winding-up procedures - after liquidation charges have been deducted - are to be distributed among the Shareholders:

liquidation proceeds shall be distributed to the Shareholders proportionately to their respective rights.

Upon completion of the SICAV's winding-up, any amounts remaining unclaimed by the Shareholders shall be deposited with the *Caisse de Consignations*, which shall keep them available for the entire duration prescribed by law. At the end of this period, any balance remaining shall be returned to the Luxembourg state.

### **27.2 Winding-up of Sub-Funds and Share Classes**

The General Shareholders' Meeting of a Sub-Fund, capable of passing resolutions under the same quorum and voting conditions as in deliberating amendments to the Articles, may decide to annul the Shares of such Sub-Fund and pay back the Shareholders of this Sub-Fund the value of their Shares.

If the net assets of a Sub-Fund fall below the equivalent of EUR 10,000,000 or if there is a change in the economic or political situation pertaining to the relevant Sub-Fund that justifies its liquidation, the Board of Directors may decide a forced redemption of the Shares remaining in this Sub-Fund with no need of Shareholders' approval. Similarly, the Board of Directors may decide to liquidate any class of Shares that it deems no longer valid.

Holders of registered Shares shall be notified by post of the liquidation resolution. This letter shall indicate the reasons and the liquidation procedures. Unless the Board of Directors decides otherwise in the interests of the Shareholders and for the purposes of upholding equal treatment towards the Shareholders of the Sub-Fund or share class involved, they may continue to apply for redemption or conversion of their Shares without additional cost, though the redemption or conversion price includes liquidation expenses.

At the conclusion of the liquidation of the Sub-Fund or share class, any amounts remaining unclaimed at the Depositary Bank by the Shareholders shall be deposited with *Caisse de Consignations*, which shall keep them available for the entire duration prescribed by law. At the expiration of this term, any balance remaining shall be returned to the Luxembourg State.

### **27.3                      Mergers of Sub-Funds and Share Classes**

#### **Mergers decided by the Board of Directors**

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the SICAV or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the merger project and the information to be provided to the Shareholders, as follows:

##### **A)                      Merger of the SICAV**

The Board of Directors may decide to proceed with a merger of the SICAV, either as receiving or absorbed UCITS, with:

- another Luxembourg or foreign Undertaking for Collective Investment in Transferable Securities (the “**New UCITS**”); or
- a sub-fund thereof,

and, as appropriate, to re-designate the Shares concerned as Shares of this New UCITS, or of the relevant sub-fund thereof as applicable.

In case the SICAV is the receiving UCITS (within the meaning of the 2010 Law), solely the Board of Directors will decide on the merger and effective date thereof.

In the case the SICAV is the absorbed UCITS (within the meaning of the 2010 Law), and hence ceases to exist, the General Meeting has to approve, and decide on the effective date of such merger by a resolution adopted with no quorum requirement and at a simple majority of the votes cast at such meeting.

B) Merger of Sub-Funds

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of any Sub-Fund, either as receiving or absorbed sub-fund, with:

- another existing or new sub-fund within the SICAV or another sub-fund within a New UCITS (the “**New Sub-Fund**”); or
- a New UCITS,

and, as appropriate, to re-designate the Shares of the Sub-Fund concerned as shares of the New UCITS, or of the New Sub-Fund as applicable.

**Mergers decided by the shareholders**

Notwithstanding the powers conferred to the Board of Directors under the preceding section, the General Meeting may decide to proceed with a merger (within the meaning of the 2010 Law) of the SICAV or of one of the Sub-Funds, either as receiving or absorbed UCITS or Sub-Fund, subject to the conditions and procedures imposed by the Law, in particular concerning the merger project and the information to be provided to the Shareholders, as follows:

A) Merger of the SICAV

The General Meeting may decide to proceed with a merger of the SICAV, either as receiving or absorbed UCITS, with:

- a New UCITS; or
- a sub-fund thereof.

The decision shall be adopted by the General Meeting for which there shall be no quorum requirement and which will decide on such a merger and its effective date by a resolution adopted at a simple majority of the votes validly cast at such meeting.

B) Merger of Sub-Funds

The General Meeting of a sub-fund of the SICAV may also decide a merger (within the meaning of the 2010 Law) of the relevant Sub-Funds, either as receiving or absorbed Sub-Fund, with:

- any New UCITS; or
- a New Sub-Fund

by a resolution adopted with no quorum requirement at a simple majority of the votes validly cast at such meeting.

Shareholders will in any case be entitled to request, without any charge other than those retained by the SICAV or the Sub-Fund to meet disinvestment costs, the repurchase or redemption of their Shares, in accordance with the provisions of Law.

## **28. INFORMATION FOR SHAREHOLDERS**

### **28.1 Publication of the Net Asset Value**

The net asset value of each Sub-Fund, the net asset value per share of each Sub-Fund as well as, in the case of one or more classes in a Sub-Fund, the net asset value per share of each existing class, shall be made public on each Valuation Date at the registered office of the SICAV.

In addition, the Board of Directors may decide to publish the net asset value in one or more newspapers.

### **28.2 Financial notices**

The Board of Directors may decide to publish financial notices in the countries where the SICAV is distributed.

### **28.3 Financial year and report to Shareholders**

The financial year begins on the first of January and ends on the final day of December.

In the four months after the end of the financial year, every year the SICAV publishes a detailed report on operations and the management of its assets, including the consolidated balance sheet and profit and loss account expressed in Euro, a detailed statement of the assets of each Sub-Fund, and the auditors' report.

In addition, in the two months after the end of the relevant half-year period, the SICAV publishes a semi-annual report, not subject to audit, including the portfolio breakdown, changes in the portfolio during the period, the number of outstanding Shares and the number of Shares issued and redeemed since the previous publication.

The annual reports audited by the Auditor and the semi-annual reports are made available at the counters of the Depositary Bank, as well as at the registered office of the SICAV.

The SICAV may decide to publish interim reports.

### **28.4 Auditor**

PricewaterhouseCoopers Assurance, *Société coopérative*, 2, rue Gerhard Mercator B.P. 1443 L-1014 Luxembourg, Grand Duchy of Luxembourg, has the mandate for auditing the accounts and the annual reports of the SICAV.

### **28.5 Documents available to the public**

The registered office of the SICAV makes available to the public for collection the Articles, the Prospectus, the KIDs, financial reports of the SICAV, as well as for inspection the agreements with the Management Company, Investment Managers, Distributors and Nominees, Representative and Paying Agent in Switzerland, and the Depositary Bank and UCI Administrator. It also makes available the procedures for handling complaints and exercising voting rights. Interested investors may receive, free of charge, a copy of these

documents. Such documents are also available online on the website [www.basesicav.lu](http://www.basesicav.lu), pursuant to CSSF Circular 18/698.

The best execution policy is made available to Shareholders at the SICAV's registered office, according to CSSF Regulation 10-04 and Circular 18/698.

## **28.6 Information to investors**

The SICAV draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the SICAV, 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 SICAV. In cases where an investor invests in the SICAV through an intermediary investing into the SICAV in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights, such as the right to participate in general meetings of shareholders, directly against the SICAV or (ii)<sup>3</sup> to be indemnified in case of net asset value calculation errors and/or non-compliance with investment rules and/or other errors at the level of the SICAV. Investors are advised to take advice on their rights which may be negatively impacted.

It should be noted that Shareholders will only be able to exercise their rights directly against the SICAV and will not have any direct contractual rights against the service providers of the SICAV appointed from time to time.

## **28.7 FINRA Rules 5130 and 5131**

The SICAV may either subscribe to classes of shares of target funds likely to participate in offerings of US new issue equity securities ("**US IPOs**") or directly participate in US IPOs. The Financial Industry Regulatory Authority ("**FINRA**"), pursuant to FINRA rules 5130 and 5131 (the "**Rules**"), has established prohibitions concerning the eligibility of certain persons to participate in US IPOs where the beneficial owner(s) of such accounts are financial services industry professionals (including, among other things, an owner or employee of a FINRA member firm or money manager) (a "**Restricted Person**"), or an executive officer or director of a U.S. or non-U.S. company potentially doing business with a FINRA member firm (a "**Covered Person**"). Accordingly, investors considered as restricted persons or covered persons under the Rules are not eligible to invest in the SICAV. In case of doubts regarding its status, the investor should seek the advice of its legal adviser.

## **29. DISCLOSURE OF IDENTITY**

The SICAV, the Management Company or the Depositary Bank may be required by law, regulation or government authority or where it is in the best interests of the SICAV to disclose information in respect of the identity of the Shareholders.

The SICAV is required under Luxembourg law to (i) obtain and hold accurate and up-to-date information (i.e. full names, nationality/ies, date and place of birth, address and country

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<sup>3</sup> (ii) applicable as from 1<sup>st</sup> January 2025.

of residence, national identification number, nature and extent of the interest in the SICAV) about its beneficial owners (as such term is defined under the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended (the **AML Law**)) and relevant supporting evidence and (ii) file such information and supporting evidence with the Luxembourg Register of beneficial owners (the **RBO**) in accordance with the Luxembourg law of 13 January 2019 creating a Register of beneficial owners (the **RBO Law 2019**).

The attention of Shareholders is drawn to the fact that the information contained in the RBO (save for the national identification number and address of the beneficial owner) will be available to the public as from 1 September 2019, unless a limited access exemption is applied for and granted. Luxembourg national authorities and professionals (as referred to in the AML Law) may request that the SICAV gives them access to the information on the beneficial owner(s) of the SICAV (as well as its legal owners). Investors, their direct or indirect (share)holders who are natural persons, the natural person(s) who directly or indirectly control(s) the SICAV, the natural person(s) on whose behalf investors may act, may qualify as beneficial owner(s), and beneficial ownership may evolve or change from time to time in light of the factual or legal circumstances. Beneficial owners are under a statutory obligation to provide to the SICAV all relevant information about them as referred to above. Non-compliance with this obligation may expose beneficial owners to criminal sanctions.

Each Shareholder, by subscribing to Shares, accepts and agrees that the SICAV and any of its services providers cannot incur any liability for any disclosure about a beneficial owner made in good faith to comply with Luxembourg laws.

Each Shareholder, by subscribing to Shares, accepts and agrees to make such representations and warranties that it will promptly provide upon request, all information, documents and evidence that the SICAV may require to satisfy its obligations under any applicable laws and in particular the RBO Law 2019.

For the purpose of the above and in accordance with the AML Law, the term “beneficial owner” shall mean, as of the current version of the Prospectus, any natural person(s) who ultimately owns or controls the entity or any natural person(s) on whose behalf a transaction or activity is being conducted. The concept of beneficial owner shall include at least:

- (a) in the case of corporate entities:
  - (i) any natural person who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union 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 customer 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 customer 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;



- (ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under point (i) is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), any natural person who holds the position of senior dirigeant (manager);
- (b) in the case of fiducies and trusts:
  - (i) the settlor;
  - (ii) any fiduciaire or trustee;
  - (iii) the protector, if any;
  - (iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;
  - (v) any other natural person exercising ultimate control over the fiducie or trust by means of direct or indirect ownership or by other means;
- (c) in the case of legal entities such as foundations, and legal arrangements similar to trusts, any natural person holding equivalent or similar positions to those referred to in point (b).

### 30. APPENDIX I – SUB-FUNDS

#### 1. **BASE INVESTMENTS SICAV – BONDS VALUE**

##### **Objective**

The investment objective of this Sub-Fund is, to generate real positive returns for the Shareholders, with a time horizon of three years, by mainly invest in fixed-income securities.

The Sub-Fund is actively managed without reference to any benchmark meaning that the Investment Manager has full discretion over the composition of the Sub-Fund. Therefore, the composition of the portfolio holdings is not constrained by the composition of the Index and the deviation of portfolio holdings from the Index may be significant.

The Sub-Fund is using benchmarks only for comparison purpose.

##### **Policy**

The Sub-Fund will invest at least 51% of its total net assets in all types of fixed-income securities having a rating of minimum BBB- according to the Standard & Poor's rating system or an equivalent rating assigned by Moody's or Fitch or an Internal Rating approved by the Board of Directors – including fixed- or floating-rate bonds, convertible bonds, bonds with warrants, Global Depository Receipts (GDR) or any other type of fixed-income security.

The Sub-Fund will invest in fixed -income securities having a rating of minimum BBB- according to one of the three main rating agencies (Standard & Poor's, Moody's, Fitch) or an Internal Rating approved by the Board of Directors. If the rating agencies assign different ratings, the highest will be taken in consideration. The Sub-Fund will not invest more than 20% of its total net assets in non-investment grade bonds, having an average rating of B.

The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund. For non-rated instruments, the Investment Manager has an internal rating policy in place and the rating assigned by the Investment Manager is submitted to the Management Company for review.

In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

The investment in convertible bonds and bonds with warrants may not exceed 25% of the Sub-Fund's total net assets.

The Sub-Fund will not invest more than 10% of its total net assets in units or shares of other UCITS or UCIs.

The Sub-Fund will not invest in distressed or default securities. In the event of a rating downgrade, the Sub-Fund may hold distressed (CC and below) or default securities up to 5% of the total net assets. The securities would be sold off as soon as possible in the best

interest of the Shareholders.

The Sub-Fund may gain indirect exposure to commodities for a maximum of 10% by investing in other eligible instruments including exchange traded notes (ETNs) qualifying as transferable securities within the meaning of article 41 of the 2010 Law. The ETNs are Delta one notes tracking the performance of an underlying commodity, commodity future or commodity index.

The Sub-Fund will not invest more than 10% of its total net assets in contingent convertible bonds ("**Cocos**").

The Sub-Fund may use, for investment purposes and/or efficient portfolio management purposes, as well as for hedging purposes, financial derivative instruments such as, but not limited to, futures, options, swaps, forwards, warrants, forward currency contracts and in other currency and equity derivatives. In particular financial derivative instruments will be used for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Manager believes the investment in financial derivative instruments will assist the Sub-Fund in achieving its investment objectives.

The Sub-Fund will not make any investment into securitisations as described in the Securitisation Regulation.

On an ancillary basis, the Sub-Fund may hold cash (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its total net assets.

If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold up to 100% of its net assets in liquidities as, among others, cash deposits, money market UCIs and money market instruments.

Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA opinion on share classes of UCITS (ESMA34-43-296).

The net value of the Sub-Fund's assets is in EUR.

### **Classes**

EUR

USD (Exchange rate risk hedging is pursued in relation to the Euro)

CHF (Exchange rate risk hedging is pursued in relation to the Euro)

EUR - I reserved to institutional investors as mentioned in Section 17. "Shares"

CHF - I reserved to institutional investors as mentioned in Section 17. "Shares" (Exchange rate risk hedging is pursued in relation to the Euro)

USD – I reserved to institutional investors as mentioned in Section 17. "Shares" (Exchange rate risk hedging is pursued in relation to the Euro)

EUR – L (traded on a Multilateral Trading Facility) open to any type of investors, including retail investors, who purchase and sell Shares through the ATFund Market of Borsa Italiana S.p.A.

EUR -SR

USD – SR (Exchange rate risk hedging is pursued in relation to the Euro)

CHF -SR (Exchange rate risk hedging is pursued in relation to the Euro)

**Distribution Policy**

For Classes EUR – I, CHF – I and USD – I: Capitalization

For Classes EUR -SR, USD – SR and CHF -SR: Capitalization

For all other Classes: Distribution

**Initial Subscription Period**

Class EUR: From 10 to 11 July 2001

Class USD: From 25 February 2013 to 1 March 2013

Class CHF: From 25 February 2013 to 1 March 2013

Class EUR – I reserved to institutional investors: From 18 September 2017 to 29 September 2017  
Class CHF – I reserved to institutional investors: From 18 September 2017 to 29 September 2017  
Class USD – I reserved to institutional investors: From 23 October 2017 to 3 November 2017

Class EUR – L: launched on 19 January 2017

Class EUR -SR: Upon first subscription

Class USD – SR: Upon first subscription

Class CHF -SR: Upon first subscription

**Initial Subscription Price per Share**

Class EUR: EUR 100 Class

USD: USD 100

Class CHF: CHF 100

Class EUR – I reserved to institutional investors: EUR 100 Class CHF – I reserved to institutional investors: CHF 100 Class USD – I reserved to institutional investors: USD 100

Class EUR - L: EUR 100

Class EUR - SR: EUR 100

Class USD - SR: USD 100

Class CHF - SR: CHF 100

**Net asset value Frequency**

Daily on each bank business day on which banks are fully open for business in Luxembourg and on which the market is also open according to the market rules of Borsa Italiana S.p.A (“Business Day”) (please refer to the calendar published by Borsa Italiana S.p.A).

For Classes EUR L: Please refer to the section “**Trading on the ATFund Market of Borsa Italiana S.p.A**” for further information.

**Investment Manager**

Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

### **Trading on the ATFund Market of Borsa Italiana S.p.A**

Classes EUR L are traded on the ATFund Market of Borsa Italiana S.p.A.

Trading of the Classes EUR L on ATFund Market shall occur through the entry of market orders by market intermediaries.

An appointed intermediary supports the execution of unfilled orders on the market.

The Shares shall be traded at the net asset value (“NAV”) per Share on the day of trading, which is a Business Day. With reference to Classes EUR L, “Business Day” means any day on which banks are fully open for business in Luxembourg City and on which market is also open according to the market rules of Borsa Italiana S.p.A (please refer to the calendar published by Borsa Italiana S.p.A).

Trading of Shares shall take place only on any Business Day (as defined above for Classes EUR L Shares) as of which the issuer is required to determine the net asset value (NAV) of the Share.

### **Subscription Fee**

Maximum 3% of the net asset value for the benefit of the distributors.

For Classes EUR - SR, USD – SR and CHF - SR: no subscription fee.

### **Fees claimed by local intermediaries**

Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

### **Investment Management Fee**

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies:

EUR: 1.00%

USD: 1.00%

CHF: 1.00%

EUR – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.50%

CHF - I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.50%

USD – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.50%

EUR L: 0.70%

EUR - SR: 1.50%

USD - SR: 1.50%

CHF - SR: 1.50%

### **Performance Fee**

The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value (NAV), equivalent to 15% of the performance of the Net Asset Value against the High Water Mark, (as defined hereafter).

The High Water Mark is defined as the last NAV after performance fee, on which a performance fee has been paid. The first High Water Mark is the first NAV applicable as from 1 January 2022.

Subscriptions are added to the High Water Mark. Redemptions are taken into account by

reducing the High Water Mark, in proportion to the number of units redeemed. Where applicable, the total amount of dividends distributed will be deducted from the High Water Mark.

The Performance Fee is calculated on the basis of the Net Asset Value after deducting all expenses, costs and fees (but before Performance Fee), and adjusting for subscriptions and redemptions/conversions during the relevant calculation period so that these will not affect the Performance Fee payable.

Performance fee is measured over a calculation period (hereinafter the “Calculation Period”) which corresponds to the calendar year.

Any first Calculation Period shall start on the launch date of the relevant Share Class and terminate at the last Valuation Day of the following calendar year, in order to make sure that the first Performance Fee payment would occur after a minimum period of twelve (12) months. The subsequent Calculation Periods shall start on the last Valuation Day at the end of the previous Calculation Period and terminate on the last Valuation Day of each following calendar year.

The crystallisation frequency is yearly.

The performance reference period (the “**Performance Reference Period**”), which is the period at the end of which the past losses can be reset is set at five (5) years. At the end of this period, the mechanism for the compensation for past underperformance (or negative performance) can be reset.

Only at the end of five (5) years of overall underperformance over the Performance Reference Period, losses can be partially reset on a yearly rolling basis, by writing off the first year of performance of the current calculation period of the Share Class. Within the relevant Performance Reference Period, losses of the first year can be offset by gains made within the following years of the Performance Reference Period.

The Performance Fee payable will be equal to the NAV Performance multiplied by the Performance Fee rate for the relevant Share Class. A provision for the accrued Performance Fee, if any, is made at each valuation date of the Net Asset Value of the relevant Share Classes. No performance fee will be due if the Net Asset Value before Performance Fee turns out to be below the High Water Mark for the calculation period in question. If the Net Asset Value decreases during the Calculation Period, the provisions made in respect of the Performance Fee will be reduced accordingly. If these provisions fall to zero (0), no Performance Fee will be payable.

In the event that a Shareholder redeems or converts shares prior to the end of the Calculation Period, any accrued but unpaid Performance Fee in respect of such shares will be crystallized and paid at the end of the relevant calculation period.

If a Share Class is closed before the end of any Calculation Period or if the relevant Sub-Fund is merged with another UCITS, the Performance Fee in respect of such Performance Fee Period will be calculated and, where applicable, paid as though the date of termination/merger were the end of the relevant Calculation Period, unless it is not in the interest of the relevant Shareholders.

Examples of determination of Performance Fee for a Class of Share on the basis of the following assumptions:

- the Class of Share is composed of one Share only and is not affected by any subscription, conversion or redemption during the different periods; and
- no dividend is paid during the different periods.

Year	NAV before Performance Fee	HWM	Annual Performance Amount	Amount to recover current Period	Adjusted loss reset of Y-5 (if any)	Amount to recover after reset	Performance against the HWM	Performance Fee	Payment of PF at the Year	NAV after Performance Fee
1	110,00	100,00	10,00				10,00	1,50	YES	108,50
2	100,00	108,50	-8,50				-8,50	0,00	NO	100,00
3	104,00	108,50	4,00	-8,50		-8,50	-4,50	0,00	NO	104,00
4	105,00	108,50	1,00	-4,50		-4,50	-3,50	0,00	NO	105,00
5	104,00	108,50	-1,00	-3,50		-3,50	-4,50	0,00	NO	104,00
6	102,00	108,50	-2,00	-4,50		-4,50	-6,50	0,00	NO	102,00
7	106,00	105,00	4,00	-6,50	3,50	-3,00	1,00	0,15	YES	105,85

#### **Year 1:**

The NAV before Performance Fee is superior to the HWM (by EUR 10), and generates a Performance Fee equal to EUR 1.5. The HWM is set at 108.5 for the future.

#### **Year 2:**

The NAV before Performance Fee is inferior to the HWM (EUR -8.5), and no Performance Fee is calculated. The HWM remains unchanged.

#### **Year 3:**

The NAV before Performance Fee increases by EUR 4 to reach 104, but remains inferior to the HWM (EUR -4.5). No Performance Fee is calculated. The HWM remains unchanged.

#### **Year 4:**

The NAV before Performance Fee increases by EUR 1 to reach 105, but remains inferior to the HWM (EUR -3.5). No Performance Fee is calculated. The HWM remains unchanged.

#### **Year 5:**

The NAV before Performance Fee decreases by EUR 1 and falls to 104, and remains inferior to the HWM (EUR -3.5). No Performance Fee is calculated. The HWM remains unchanged.

#### **Year 6:**

The NAV before Performance Fee decreases by EUR 2 and falls to 102, and remains inferior to the HWM (EUR -5.5). No Performance Fee is calculated.

The HWM is updated for the beginning of the next Year as the NAV underperformed the HWM for 5 consecutive years: losses from Year 1 of EUR -8.5, adjusted by subsequent gains of Year 3 (EUR 4) and Year 4 (EUR 1), for a total of EUR -3.5, are no longer to be considered in the performance calculation as from the beginning of Year 7. The new HWM corresponds

to the NAV after performance fees of Year 6, increased by the remaining losses of EUR 3, or EUR 105.

#### **Year 7:**

The NAV before Performance Fee increases by EUR 4 to reach 106. It is now superior to the new HWM (by EUR 1), and generates a Performance Fee equal to 0.15. The HWM is set at 105.85 for the future.

#### **Fee for the Sub-Distributors**

In addition to any subscription fees that it may receive, the Sub-Distributor is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
EUR	0.70%	0.850%
EUR - I	N.A.	0.25%
CHF - I	N.A.	0.25%
USD - I	N.A.	0.25%
USD	0.70%	0.850%
CHF	0.70%	0.850%
EUR - L	0.50%	0.60%
EUR-SR	1.35%	1.35%
CHF-SR	1.35%	1.35%
USD-SR	1.35%	1.35%

\*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

#### **Global Exposure**

Regarding the risk management procedure, the Sub-Fund's global exposure is monitored and measured using the absolute VaR approach.

The Sub-Fund's VaR may not exceed 20% of the Sub-Fund's Net Asset Value.

In financial mathematics and risk management, the VaR approach is a widely used method to calculate the risk of loss on financial assets of a specific investment portfolio. For a given investment portfolio, with a given probability level and time horizon, VaR is defined as the limit on which basis the potential loss of the investment portfolio's market value over the given time horizon exceeds such limit (under normal market conditions and with no transactions involving the investment portfolio) is equal to said probability level.

The VaR is calculated based on a single confidence level of 99%, as well as a 20-days holding period.



## **Leverage**

In order to efficiently implement the Sub-Fund's strategy and to achieve the risk target that is consistent with the Sub-Fund's risk profile, the Sub-Fund will rely intensively on financial derivative instruments and underlyings that may generate a high level of leverage and the Sub-Fund may experience higher volatility than a fixed income fund that does not use leverage.

While leverage presents opportunities for increasing the Sub-Fund's return to shareholders, it also has the effect of potentially increasing losses should the return on the underlying be negative.

Although the Sub-Fund's level of risk can be increased by using financial derivatives for investment purposes, the Sub-Fund also uses derivatives within a portfolio construction process that is focused on diversifying strategies and managing risk correlation which can contribute to reducing the Sub-Fund's level of risk.

Some of the strategies will rely on instruments that require a substantial level of gross leverage to generate a limited amount of risk, such as bond futures. Also derivatives used within the long and short strategies may generate a high level of gross leverage but reduced level of net leverage.

Due to the utilisation of leverage within the underlying, Shareholders should be aware of the increased risk of losing part or all its investment, however shortfall risk is managed in accordance with the risk management policies of the SICAV.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notionals of financial derivative instruments approach, the Sub-Fund's maximum expected average level of leverage will be 1.500% of the Sub-Fund's Net Asset Value. The investor should be aware that financial derivative instruments might partially be used for hedging risks to which the Sub-Fund would otherwise be exposed to. Therefore increasing gross exposure (i.e. increasing notional amounts during the lifetime of the Sub-Fund) might in some cases be the consequence of an increased level of hedging.

From time to time, the Sub-Fund uses short term interest rate derivatives in order to achieve its investment objective. Short term interest rate derivatives have extremely low duration and therefore low volatility. In order to ensure that the Sub-Fund achieves its target risk/return when investing in short term interest rate derivatives, the Sub-Fund may invest in large notional of these products. Despite the larger exposures in financial derivative instruments, the risks relating to this are controlled and the Investment Manager ensures that the allocation to each product type is optimised for its risk-adjusted returns.

The Sub-Fund's level of leverage may possibly be higher in a low market volatility environment. In certain exceptional circumstances the aforementioned level could be higher.

This could be the case, for example, in situations where a large amount of financial futures and options are used in the context of different strategies. Typically, this will have a higher impact on the level of leverage calculated on the basis of the sum of notionals approach, but much less based on the commitment approach.

### **Likely Impacts following the occurrence of a Sustainability Risk**

A wide range of Sustainability Risks can affect bond borrowers' cash flows and affect their ability to meet their debt obligations. For corporate bond issuers, environmental risks include but are not limited to; the ability of companies to mitigate and adapt to climate change, the potential for higher carbon prices, exposure to increasing water scarcity and potential for higher water prices, waste management challenges, and impact on global and local ecosystems. Social risks include, but are not limited to; product safety, supply chain management and labour standards, health and safety and human rights, employee welfare, data protection and privacy concerns and increasing technological regulation. Governance risks are also relevant and can include board composition and effectiveness, management incentives, management quality and alignment of management with shareholders.

## **2. BASE INVESTMENTS SICAV – GLOBAL FIXED INCOME**

### **Objective**

The investment objective of this Sub-Fund is to generate real positive returns for the Shareholders, with a time horizon of three years, to mainly invest in fixed-income securities.

The Sub-Fund is actively managed without reference to any benchmark meaning that the Investment Manager has full discretion over the composition of the Sub-Fund. Therefore, the composition of the portfolio holdings is not constrained by the composition of the Index and the deviation of portfolio holdings from the Index may be significant.

The Sub-Fund is using benchmarks only for comparison purpose.

### **Policy**

The Sub-Fund seeks to create the potential for capital appreciation by primarily investing in a portfolio of global fixed income securities, including, but not limited to, corporate bonds and government bonds of varying maturities.

The Sub-Fund will mainly invest its total net assets in all types of fixed-income securities having a rating of minimum BBB- according to the Standard & Poor's rating system or an equivalent rating assigned by Moody's or Fitch or an Internal Rating approved by the Board of Directors – including fixed- or floating-rate bonds, convertible bonds, bonds with warrant, or any other type of fixed- income security. If the rating agencies assign different ratings, the highest will be taken in consideration.

The Sub-Fund will not invest more than 15% of its total net assets in non-investment grade bonds, having an average rating of B.

The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund. For non-rated instruments, the Investment Manager has an internal rating policy in place and the rating assigned by the Investment Manager is submitted to the Management Company for review.

In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

The Investment Manager is not restricted in his choice of companies either by region or country and will choose bonds largely determined by the availability of attractive investment opportunities. Investments may be made in emerging countries as well. In particular, as far as Russia, China and India are envisaged, a maximum of 10% of assets will be invested in the single country (10% each).

The investment in convertible bonds and bonds with warrants may not exceed 15% of the Sub-Fund's total net assets. In case of conversion or restructuring, the Investment Manager when informed of the conversion will always intend to disinvest the relevant convertible bonds before the conversion date on a best effort basis. In the situation the conversion could not be anticipated, the Sub-Fund may temporarily hold equities up to 5% of its net assets which would be sold off as soon as possible in the best interest of Shareholders.

The Sub-Fund will not invest in distressed or default securities. In the event of a rating downgrade, the Sub-Fund may hold distressed (CC and below) or default securities up to 5% of the total net assets. The securities would be sold off as soon as possible in the best interest of the Shareholders.

The Sub-Fund may use, for investment purposes and/or efficient portfolio management purposes, as well as for hedging purposes, financial derivative instruments such as futures, options, swaps, forwards, forward currency contracts and in other currency derivatives.

In particular financial derivative instruments will be used for, inter alia, the purposes of managing market exposure and currency positioning but also to enhance return when the Investment Manager believes the investment in financial derivative instruments will assist the Sub-Fund in achieving its investment objectives.

The Sub-Fund will not invest more than 10% of its total net assets in units or shares of other UCITS or UCIs.

The Sub-Fund will not invest more than 10% of its total net assets in contingent convertible bonds ("**Cocos**").

The Sub-Fund will not make any investment into securitisations as described in the Securitisation Regulation.

On an ancillary basis, the Sub-Fund may hold cash (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its total net assets.

If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold up to 100% of its net assets in liquidities as, among others, cash deposits, money market UCIs and money market instruments.

Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA opinion on share classes of UCITS (ESMA34-43-296).

The Sub-Fund's reference currency is EUR.

### **Classes**

EUR

USD (Exchange rate risk hedging is pursued in relation to the Euro)

CHF (Exchange rate risk hedging is pursued in relation to the Euro)

EUR - I reserved to institutional investors as mentioned in Section 17. "Shares"

CHF - I reserved to institutional investors as mentioned in Section 17. "Shares" (Exchange rate risk hedging is pursued in relation to the Euro)

USD – I reserved to institutional investors as mentioned in Section 17. "Shares" (Exchange rate risk hedging is pursued in relation to the Euro)

EUR - SR

USD – SR (Exchange rate risk hedging is pursued in relation to the Euro)

CHF -SR (Exchange rate risk hedging is pursued in relation to the Euro)

**Distribution Policy**

For all Classes: Capitalization

**Initial Subscription Period**

Class EUR: Upon first subscription Class USD: Upon first subscription Class CHF: Upon first subscription

Class EUR – I reserved to institutional investors: Upon first subscription

Class CHF - I reserved to institutional investors: Upon first subscription

Class USD – I reserved to institutional investors: Upon first subscription

Class EUR -SR: Upon first subscription

Class USD – SR: Upon first subscription

Class CHF -SR: Upon first subscription

**Initial Subscription Price per Share**

Class EUR: EUR 100

Class USD: USD 100

Class CHF: CHF 100

Class EUR – I reserved to institutional investors: EUR 100 Class CHF – I reserved to institutional investors: CHF 100 Class USD – I reserved to institutional investors: USD 100

Class EUR - SR: EUR 100

Class USD – SR: USD 100

Class CHF - SR: CHF 100

**Net asset value Frequency**

Daily on each bank business day on which banks are fully open for business in Luxembourg and on which the market is also open according to the market rules of Borsa Italiana S.p.A (“**Business Day**”) (please refer to the calendar published by Borsa Italiana S.p.A).

**Investment Manager**

Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

**Subscription Fee**

Maximum 3% of the net asset value for the benefit of the distributors.

For Classes EUR - SR, USD – SR and CHF - SR: no subscription fee

**Fees claimed by local intermediaries**

Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

### **Investment Management Fee**

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies: =

EUR: 1.00%

USD: 1.00%

CHF: 1.00%

EUR – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.50%

CHF – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.50%

USD – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.50%

EUR - SR: 1.50%

USD - SR: 1.50%

CHF - SR: 1.50%

### **Performance Fee**

The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value (NAV), equivalent to 15% of the performance of the Net Asset Value against the High Water Mark, (as defined hereafter).

The High Water Mark is defined as the last NAV after performance fee, on which a performance fee has been paid. The first High Water Mark is the first NAV applicable as from 1 January 2022.

Subscriptions are added to the High Water Mark. Redemptions are taken into account by reducing the High Water Mark, in proportion to the number of units redeemed. Where applicable, the total amount of dividends distributed will be deducted from the High Water Mark.

The Performance Fee is calculated on the basis of the Net Asset Value after deducting all expenses, costs and fees (but before Performance Fee), and adjusting for subscriptions and redemptions/conversions during the relevant calculation period so that these will not affect the Performance Fee payable.

Performance fee is measured over a calculation period (hereinafter the “Calculation Period”) which corresponds to the calendar year.

Any first Calculation Period shall start on the launch date of the relevant Share Class and terminate at the last Valuation Day of the following calendar year, in order to make sure that the first Performance Fee payment would occur after a minimum period of twelve (12) months. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate on the last Valuation Day of each following calendar year.

The crystallisation frequency is yearly.

The performance reference period (the “**Performance Reference Period**”), which is the period at the end of which the past losses can be reset is set at five years. At the end of this period, the mechanism for the compensation for past underperformance (or negative

performance) can be reset.

Only at the end of five years of overall underperformance over the Performance Reference Period, losses can be partially reset on a yearly rolling basis, by writing off the first year of performance of the current Calculation Period of the Share Class. Within the relevant Performance Reference Period, losses of the first year can be offset by gains made within the following years of the Performance Reference Period.

The Performance Fee payable will be equal to the NAV Performance multiplied by the Performance Fee rate for the relevant Share Class. A provision for the accrued Performance Fee, if any, is made at each valuation date of the Net Asset Value of the relevant Share Classes. No performance fee will be due if the Net Asset Value before Performance Fee turns out to be below the High Water Mark for the calculation period in question. If the Net Asset Value decreases during the Calculation Period, the provisions made in respect of the Performance Fee will be reduced accordingly. If these provisions fall to zero (0), no Performance Fee will be payable.

In the event that a shareholder redeems or converts shares prior to the end of the Calculation Period, any accrued but unpaid Performance Fee in respect of such shares will be crystallized and paid at the end of the relevant Calculation Period.

If a Share Class is closed before the end of any calculation Period or if the relevant Sub-Fund is merged with another UCITS, the Performance Fee in respect of such Performance Fee Period will be calculated and, where applicable, paid as though the date of termination/merger were the end of the relevant Calculation Period, unless it is not in the interest of the relevant shareholders.

Examples of determination of Performance Fee for a Class of Share on the basis of the following assumptions:

- the Class of Share is composed of one Share only and is not affected by any subscription, conversion or redemption during the different periods;
- no dividend is paid during the different periods.

Year	NAV before Performance Fee	HWM	Annual Performance Amount	Amount to recover current Period	Adjusted loss reset of Y-5 (if any)	Amount to recover after reset	Performance against the HWM	Performance Fee	Payment of PF at the Year	NAV after Performance Fee
1	110,00	100,00	10,00				10,00	1,50	YES	108,50
2	100,00	108,50	-8,50				-8,50	0,00	NO	100,00
3	104,00	108,50	4,00	-8,50		-8,50	-4,50	0,00	NO	104,00
4	105,00	108,50	1,00	-4,50		-4,50	-3,50	0,00	NO	105,00
5	104,00	108,50	-1,00	-3,50		-3,50	-4,50	0,00	NO	104,00
6	102,00	108,50	-2,00	-4,50		-4,50	-6,50	0,00	NO	102,00
7	106,00	105,00	4,00	-6,50	3,50	-3,00	1,00	0,15	YES	105,85

#### **Year 1:**

The NAV before Performance Fee is superior to the HWM (by EUR 10), and generates a Performance Fee equal to EUR 1.5. The HWM is set at 108.5 for the future.

**Year 2:**

The NAV before Performance Fee is inferior to the HWM (EUR -8.5), and no Performance Fee is calculated. The HWM remains unchanged.

**Year 3:**

The NAV before Performance Fee increases by EUR 4 to reach 104, but remains inferior to the HWM (EUR -4.5). No Performance Fee is calculated. The HWM remains unchanged.

**Year 4:**

The NAV before Performance Fee increases by EUR 1 to reach 105, but remains inferior to the HWM (EUR -3.5). No Performance Fee is calculated. The HWM remains unchanged.

**Year 5:**

The NAV before Performance Fee decreases by EUR 1 and falls to 104, and remains inferior to the HWM (EUR -3.5). No Performance Fee is calculated. The HWM remains unchanged.

**Year 6:**

The NAV before Performance Fee decreases by EUR 2 and falls to 102, and remains inferior to the HWM (EUR -5.5). No Performance Fee is calculated.

The HWM is updated for the beginning of the next Year as the NAV underperformed the HWM for 5 consecutive years: losses from Year 1 of EUR -8.5, adjusted by subsequent gains of Year 3 (EUR 4) and Year 4 (EUR 1), for a total of EUR -3.5, are no longer to be considered in the performance calculation as from the beginning of Year 7. The new HWM corresponds to the NAV after performance fees of Year 6, increased by the remaining losses of EUR 3, or EUR 105.

**Year 7:**

The NAV before Performance Fee increases by EUR 4 to reach 106. It is now superior to the new HWM (by EUR 1), and generates a Performance Fee equal to 0.15. The HWM is set at 105.85 for the future.

**Fee for the Sub-Distributors**

In addition to any subscription fees that it may receive, the Sub-Distributor is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate*
EUR	0.70%	0.850%
USD	0.70%	0.850%
CHF	0.70%	0.850%
EUR - I	N.A.	0.25%
CHF - I	N.A.	0.25%
USD - I	N.A.	0.25%
EUR-SR	1.35%	1.35%



CHF-SR	1.35%	1.35%
USD-SR	1.35%	1.35%

\*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

### **Global Exposure**

Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments (“**FDI**”) and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

### **Likely Impacts following the occurrence of a Sustainability Risk**

A wide range of sustainability risks can affect corporate and sovereign bonds issuers.

Environmental risks include but are not limited to, physical risks stemming from climate change, the ability of companies to mitigate and adapt to climate change, the potential for higher carbon prices, exposure to increasing water scarcity and potential for higher water prices, waste management challenges, and impact on global and local ecosystems. Social risks include, but are not limited to; product safety, supply chain management and labour standards, health and safety and human rights, employee welfare, data & privacy concerns and increasing technological regulation. Governance risks are also relevant and can include board composition and effectiveness, management incentives, management quality and alignment of management with shareholders.

For sovereign issuers, while a wide range of macro-economic variables are traditionally taken into account for their credit analysis Sustainability Factors have historically been less considered. Governance factors relating to the strength of the institutions and rule of law play an important part in sovereign issuers’ exposure to Sustainability Risks and in their ability to manage these. Social factors such as the demographics could also result in Sustainability Risks affecting a country’s credit rating or cash flows, for example as a result of an aging population that may adverse fiscal implications longer term and increase the country’s healthcare costs. Credit spread widening or default risk can also result from environmental risks, climate change and natural disasters such as droughts or wildfires can affect some countries balance sheets negatively by destabilizing crucial industry sectors such as agriculture or tourism. Such Sustainability Risks affecting sovereign issuers could also affect the value of currencies.

For corporate and sovereign issuers alike failure to manage Sustainability Risks can result in deterioration in the credit rating and difficulty to meet their debt obligations.

### **3. BASE INVESTMENTS SICAV – FLEXIBLE LOW RISK EXPOSURE**

#### **Objective**

The investment objective of this Sub-Fund is to generate real positive returns for the Shareholders through a flexible and dynamic asset allocation process that maintains particular focus on capital preservation and enhancement. An all asset investible universe increases flexibility and permits a reduction in aggregate portfolio volatility by applying balanced risk allocation techniques.

The Sub-Fund is actively managed without reference to any benchmark meaning that the Investment Manager has full discretion over the composition of the Sub-Fund. Therefore, the composition of the portfolio holdings is not constrained by the composition of the Index and the deviation of portfolio holdings from the Index may be significant.

The Sub-Fund is using benchmarks only for comparison purpose.

#### **Policy**

Active management of asset allocation is implemented through a modular exposure to different asset classes, in particular government and corporate bonds, equities and currencies. The Sub-Fund will invest 51% of its total net assets in low risk securities (*i.e.* investment grade bonds).

At least 51% of the portfolio's total net assets shall be exposed to global debt markets, without any specific geographical focus.

The above mentioned exposure may be obtained by investing in fixed- or floating-rate debt securities, money market instruments, derivative instruments and in units or shares issued by Undertakings for Collective Investment, mostly open-end and having similar debt focused investment policy (within the specified limits).

The investment strategy is based on the following four pillars:

- 1) Global strategy: search for opportunities within all the main geographical regions following a top-down approach;
- 2) High flexibility: investment allocations independent of benchmark restrictions; low correlations with risk components (rates, equity);
- 3) Relative value: spread between currencies, bond curves, equity markets in order to generate value in any market condition;
- 4) Search for the inefficiencies of the market: scarce liquidity in corporate bond market periodically generates investment opportunities.

The Sub-Fund will invest in fixed-income securities having a rating of minimum BBB- according to one of the three main rating agencies (Standard & Poor's, Moody's, Fitch) or an Internal Rating approved by the Board of Directors. If the rating agencies assign different ratings, the highest will be taken in consideration.

The Board (or a delegate within the Board) can approve the investment in non rated instruments or in instruments rated by other agencies for a maximum of 15% of the total net assets of the Sub-Fund. For non-rated instruments, the Investment Manager has an internal

rating policy in place and the rating assigned by the Investment Manager is submitted to the Management Company for review.

In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

The Sub-Fund will not invest more than 15% of its total net assets in non-investment grade bonds, having an average rating of B.

The Sub-Fund will not invest more than 15% of its total net assets in shares, other equity market securities (such as share warrants). The net maximum equity exposure in absolute value will not exceed 15% of the Sub-Fund's total net assets.

The Sub-Fund will not invest in distressed or default securities. In the event of a rating downgrade, the Sub-Fund may hold distressed (CC and below) or default securities up to 5% of the total net assets. The securities would be sold off as soon as possible in the best interest of the Shareholders.

The investment in convertible bonds and bonds with warrants may not exceed 10% of the Sub-Fund's total net assets.

The Sub-Fund may gain indirect exposure to commodities for a maximum of 10% by investing in other eligible instruments including exchange traded notes (ETNs) qualifying as transferable securities within the meaning of article 41 of the 2010 Law. The ETNs are Delta one notes tracking the performance of an underlying commodity, commodity future or commodity index.

The Sub-Fund may use for hedging, investment and/or efficient portfolio management purposes, financial techniques and derivatives instruments dealt in on a regulated or an OTC market.

The Sub-Fund will not invest more than 10% of its total net assets in units or shares of other UCITS or UCIs.

The Sub-Fund will not invest more than 10% of its total net assets in contingent convertible bonds ("**Cocos**").

On an ancillary basis, the Sub-Fund may hold cash (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its total net assets.

If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold up to 100% of its net assets in liquidities as, among others, cash deposits, money market UCIs and money market instruments.

Sub-Fund will not make any investment into securitisations as described in the Securitisation Regulation.

Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA opinion on

share classes of UCITS (ESMA34-43-296).

The Sub-Fund's reference currency is EUR.

### **Classes**

EUR USD (Exchange rate risk hedging is pursued in relation to the Euro)

CHF (Exchange rate risk hedging is pursued in relation to the Euro)

EUR – I reserved to institutional investors as mentioned in Section 17. “Shares”

CHF – I reserved to institutional investors as mentioned in Section 17. “Shares” (Exchange rate risk hedging is pursued in relation to the Euro)

USD – I reserved to institutional investors as mentioned in Section 17. “Shares” (Exchange rate risk hedging is pursued in relation to the Euro)

EUR – L (traded on a Multilateral Trading Facility) open to any type of investors, including retail investors, who purchase and sell Shares through the ATFund Market of Borsa Italiana S.p.A.

EUR -SR

USD – SR (Exchange rate risk hedging is pursued in relation to the Euro)

CHF – SR (Exchange rate risk hedging is pursued in relation to the Euro)

### **Distribution Policy**

Capitalization

### **Initial Subscription Period**

Class EUR: From 1 to 5 March 2010 Class USD: From 20 to 30 June 2011 Class CHF: From 1 to 5 November 2010 Class EUR – I reserved to institutional investors: From 18 September 2017 to 29 September 2017 Class CHF – I reserved to institutional investors: From 18 September 2017 to 29 September 2017 Class USD – I reserved to institutional investors: From 23 October 2017 to 3 November 2017 Class EUR – L: launched on 19 January 2017 Class EUR -SR: Upon first subscription Class USD – SR: Upon first subscription Class CHF -SR: Upon first subscription

### **Initial Subscription Price per Share**

Class EUR: EUR 100

Class USD: USD 100

Class CHF: CHF 100

Class EUR – I reserved to institutional investors: EUR 100 Class CHF – I reserved to institutional investors: CHF 100 Class USD – I reserved to institutional investors: USD 100

Class EUR - L: EUR 100

Class EUR - SR: EUR 100

Class USD - SR: USD 100

Class CHF - SR: CHF 100

### **Net asset value Frequency**

Daily on each bank business day on which banks are fully open for business in Luxembourg and on which the market is also open according to the market rules of Borsa Italiana S.p.A (“**Business Day**”)(please refer to the calendar published by Borsa Italiana S.p.A).

For Classes EUR L: Please refer to the section “**Trading on the ATFund Market of Borsa Italiana S.p.A**” for further information.

### **Investment Manager**

Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

### **Trading on the ATFund Market of Borsa Italiana S.p.A**

Classes EUR L are traded on the ATFund Market of Borsa Italiana S.p.A.

Trading of the Classes EUR L on ATFund Market shall occur through the entry of market orders by market intermediaries.

An appointed intermediary supports the execution of unfilled orders on the market.

The Shares shall be traded at the net asset value ("**NAV**") per Share on the day of trading, which is a Business Day. With reference to Classes EUR L, "Business Day" means any day on which banks are fully open for business in Luxembourg City and on which market is also open according to the market rules of Borsa Italiana S.p.A (please refer to the calendar published by Borsa Italiana S.p.A).

Trading of Shares shall take place only on any Business Day (as defined above for Classes EUR L Shares) as of which the issuer is required to determine the net asset value (NAV) of the Share.

### **Subscription Fee**

Maximum 3% of the net asset value for the benefit of the distributors.

For Classes EUR -SR, USD – SR and CHF – SR: no subscription fee

### **Fees claimed by local intermediaries**

Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

### **Investment Management Fee**

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies.: -

EUR: 1.50%

USD: 1.50%

CHF: 1.50%

EUR – I reserved to institutional investors as mentioned in Section 17. "Shares": 0.75%

CHF – I reserved to institutional investors as mentioned in Section 17. "Shares": 0.75%

USD – I reserved to institutional investors as mentioned in Section 17. "Shares": 0.75%

EUR L: 1.05%

EUR - SR: 2.25%  
USD - SR: 2.25%  
CHF - SR: 2.25%

### **Performance Fee**

The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value (NAV), equivalent to 15% of the performance of the Net Asset Value against the High Water Mark, (as defined hereafter).

The High Water Mark is defined as the last NAV after performance fee, on which a performance fee has been paid. The first High Water Mark is the first NAV applicable as from 1 January 2022.

Subscriptions are added to the High Water Mark. Redemptions are taken into account by reducing the High Water Mark, in proportion to the number of units redeemed. Where applicable, the total amount of dividends distributed will be deducted from the High Water Mark.

The Performance Fee is calculated on the basis of the Net Asset Value after deducting all expenses, costs and fees (but before Performance Fee), and adjusting for subscriptions and redemptions/conversions during the relevant calculation period so that these will not affect the Performance Fee payable.

Performance fee is measured over a calculation period (hereinafter the “**Calculation period**”) which corresponds to the calendar year.

Any first Calculation Period shall start on the launch date of the relevant Share Class and terminate at the last Valuation Day of the following calendar year, in order to make sure that the first Performance Fee payment would occur after a minimum period of twelve (12) months. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous calculation period and terminate on the last Valuation Day of each following calendar year.

The crystallisation frequency is yearly.

The performance reference period (the “**Performance Reference Period**”), which is the period at the end of which the past losses can be reset is set at five years. At the end of this period, the mechanism for the compensation for past underperformance (or negative performance) can be reset.

Only at the end of five years of overall underperformance over the Performance Reference Period, losses can be partially reset on a yearly rolling basis, by writing off the first year of performance of the current Calculation Period of the Share Class. Within the relevant Performance Reference Period, losses of the first year can be offset by gains made within the following years of the Performance Reference Period.

The Performance Fee payable will be equal to the NAV Performance multiplied by the Performance Fee Rate for the relevant Share Class. A provision for the accrued Performance Fee, if any, is made at each valuation date of the Net Asset Value of the relevant Share Classes. No performance fee will be due if the Net Asset Value before

Performance Fee turns out to be below the High Water Mark for the Calculation Period in question. If the Net Asset Value decreases during the Calculation Period, the provisions made in respect of the Performance Fee will be reduced accordingly. If these provisions fall to zero (0), no Performance Fee will be payable.

In the event that a shareholder redeems or converts shares prior to the end of the Calculation Period, any accrued but unpaid Performance Fee in respect of such shares will be crystallized and paid at the end of the relevant Calculation Period.

If a Share Class is closed before the end of any calculation Period or if the relevant Sub-Fund is merged with another UCITS, the Performance Fee in respect of such Performance Fee Period will be calculated and, where applicable, paid as though the date of termination/merger were the end of the relevant Calculation Period, unless it is not in the interest of the relevant Shareholders.

Examples of determination of Performance Fee for a Class of Share on the basis of the following assumptions:

- the Class of Share is composed of one Share only and is not affected by any subscription, conversion or redemption during the different periods; and
- no dividend is paid during the different periods.

Year	NAV before Performance Fee	HWM	Annual Performance Amount	Amount to recover current Period	Adjusted loss reset of Y-5 (if any)	Amount to recover after reset	Performance against the HWM	Performance Fee	Payment of PF at the Year	NAV after Performance Fee
1	110,00	100,00	10,00				10,00	1,50	YES	108,50
2	100,00	108,50	-8,50				-8,50	0,00	NO	100,00
3	104,00	108,50	4,00	-8,50		-8,50	-4,50	0,00	NO	104,00
4	105,00	108,50	1,00	-4,50		-4,50	-3,50	0,00	NO	105,00
5	104,00	108,50	-1,00	-3,50		-3,50	-4,50	0,00	NO	104,00
6	102,00	108,50	-2,00	-4,50		-4,50	-6,50	0,00	NO	102,00
7	106,00	105,00	4,00	-6,50	3,50	-3,00	1,00	0,15	YES	105,85

#### **Year 1:**

The NAV before Performance Fee is superior to the HWM (by EUR 10), and generates a Performance Fee equal to EUR 1.5. The HWM is set at 108.5 for the future.

#### **Year 2:**

The NAV before Performance Fee is inferior to the HWM (EUR -8.5), and no Performance Fee is calculated. The HWM remains unchanged.

#### **Year 3:**

The NAV before Performance Fee increases by EUR 4 to reach 104, but remains inferior to the HWM (EUR -4.5). No Performance Fee is calculated. The HWM remains unchanged.

#### **Year 4:**

The NAV before Performance Fee increases by EUR 1 to reach 105, but remains inferior to the HWM (EUR -3.5). No Performance Fee is calculated. The HWM remains unchanged.

**Year 5:**

The NAV before Performance Fee decreases by EUR 1 and falls to 104, and remains inferior to the HWM (EUR -3.5). No Performance Fee is calculated. The HWM remains unchanged.

**Year 6:**

The NAV before Performance Fee decreases by EUR 2 and falls to 102, and remains inferior to the HWM (EUR -5.5). No Performance Fee is calculated.

The HWM is updated for the beginning of the next Year as the NAV underperformed the HWM for 5 consecutive years: losses from Year 1 of EUR -8.5, adjusted by subsequent gains of Year 3 (EUR 4) and Year 4 (EUR 1), for a total of EUR -3.5, are no longer to be considered in the performance calculation as from the beginning of Year 7. The new HWM corresponds to the NAV after performance fees of Year 6, increased by the remaining losses of EUR 3, or EUR 105.

**Year 7:**

The NAV before Performance Fee increases by EUR 4 to reach 106. It is now superior to the new HWM (by EUR 1), and generates a Performance Fee equal to 0.15. The HWM is set at 105.85 for the future.

**Fee for the Sub-Distributors**

In addition to any subscription fees that it may receive, the Sub-Distributor is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Rate	Maximum	Institutional Maximum Rate *
EUR	1.050%		1.275%
EUR - I	N.A.		0.375%
CHF - I	N.A.		0.375%
USD – I	N.A.		0.375%
USD	1.050%		1.275%
CHF	1.050%		1.275%
EUR-L	0.74%		0.90%
EUR - SR	2.025%		2.025%
CHF – SR	2.025%		2.025%
USD - SR	2.025%		2.025%

\*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

**Global Exposure**

Regarding the risk management procedure, the Sub-Fund's global exposure is monitored and measured using the absolute VaR approach.



The Sub-Fund's VaR may not exceed 20% of the Sub-Fund's Net Asset Value.

In financial mathematics and risk management, the VaR approach is a widely used method to calculate the risk of loss on financial assets of a specific investment portfolio. For a given investment portfolio, with a given probability level and time horizon, VaR is defined as the limit on which basis the potential loss of the investment portfolio's market value over the given time horizon exceeds such limit (under normal market conditions and with no transactions involving the investment portfolio) is equal to said probability level.

The VaR is calculated based on a single confidence level of 99%, as well as a 20-days holding period.

### **Leverage**

In order to efficiently implement the Sub-Fund's strategy and to achieve the risk target that is consistent with the Sub-Fund's risk profile, the Sub-Fund will rely intensively on financial derivative instruments and underlyings that may generate a high level of leverage and the Sub-Fund may experience higher volatility than a fixed income fund that does not use leverage.

While leverage presents opportunities for increasing the Sub-Fund's return to shareholders, it also has the effect of potentially increasing losses should the return on the underlying be negative.

Although the Sub-Fund's level of risk can be increased by using financial derivatives for investment purposes, the Sub-Fund also uses derivatives within a portfolio construction process that is focused on diversifying strategies and managing risk correlation which can contribute to reducing the Sub-Fund's level of risk.

Some of the strategies will rely on instruments that require a substantial level of gross leverage to generate a limited amount of risk, such as bond futures. Also derivatives used within the long and short strategies may generate a high level of gross leverage but reduced level of net leverage.

Due to the utilisation of leverage within the underlying, Shareholders should be aware of the increased risk of losing part or all its investment, however shortfall risk is managed in accordance with the risk management policies of the SICAV.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notionals of financial derivative instruments approach, the Sub-Fund's maximum expected average level of leverage will be 800% of the Sub-Fund's Net Asset Value. The investor should be aware that financial derivative instruments might partially be used for hedging risks to which the Sub-Fund would otherwise be exposed to.

Therefore increasing gross exposure (i.e. increasing notional amounts during the lifetime of the Sub-Fund) might in some cases be the consequence of an increased level of hedging.

From time to time, the Sub-Fund uses short term interest rate derivatives in order to achieve its investment objective. Short term interest rate derivatives have extremely low duration and therefore low volatility. In order to ensure that the Sub-Fund achieves its target risk/return when investing in short term interest rate derivatives, the Sub-Fund may invest in large notional of these products. Despite the larger exposures in financial derivative instruments, the risks relating to this are controlled and the Investment Manager ensures that the allocation to each product type is optimised for its risk- adjusted returns.

The Sub-Fund's level of leverage may possibly be higher in a low market volatility environment. In certain exceptional circumstances the aforementioned level could be higher. This could be the case, for example, in situations where a large amount of financial futures and options are used in the context of different strategies. Typically, this will have a higher impact on the level of leverage calculated on the basis of the sum of notionals approach, but much less based on the commitment approach.

### **Likely Impacts following the occurrence of a Sustainability Risk**

A wide range of sustainability risks can affect corporate and sovereign bonds issuers.

Environmental risks include but are not limited to, physical risks stemming from climate change, the ability of companies to mitigate and adapt to climate change, the potential for higher carbon prices, exposure to increasing water scarcity and potential for higher water prices, waste management challenges, and impact on global and local ecosystems. Social risks include, but are not limited to; product safety, supply chain management and labour standards, health and safety and human rights, employee welfare, data & privacy concerns and increasing technological regulation. Governance risks are also relevant and can include board composition and effectiveness, management incentives, management quality and alignment of management with shareholders.

For sovereign issuers, while a wide range of macro-economic variables are traditionally taken into account for their credit analysis Sustainability Factors have historically been less considered. Governance factors relating to the strength of the institutions and rule of law play an important part in sovereign issuers' exposure to Sustainability Risks and in their ability to manage these. Social factors such as the demographics could also result in Sustainability Risks affecting a country's credit rating or cash flows, for example as a result of an aging population that may adverse fiscal implications longer term and increase the country's healthcare costs. Credit spread widening or default risk can also result from environmental risks, climate change and natural disasters such as droughts or wildfires can affect some countries balance sheets negatively by destabilizing crucial industry sectors such as agriculture or tourism. Such Sustainability Risks affecting sovereign issuers could also affect the value of currencies.

For corporate and sovereign issuers alike failure to manage Sustainability Risks can result in deterioration in the credit rating and difficulty to meet their debt obligations.

Considering the worldwide, multi-asset investment strategies without any industry sector focus, the Sub-Fund is expected to display a highly diversified portfolio. Therefore, it is

expected that the Sub-Fund will be exposed to a broad range of Sustainability Risks, which will differ across the underlying companies. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, some sectors or individual companies may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the return of the Sub-Fund or on the value of the Sub-Fund's investments.

#### 4. **BASE INVESTMENTS SICAV – LOW DURATION**

##### **Objective**

The investment objective of this Sub-Fund is to outperform the Bloomberg Barclays Global Aggregate 1-3 Years Total Return (LG13TREH) Index (the “**Index**”) mainly investing in fixed or floating-rate securities, such that the duration of the portfolio does not exceed three years.

The Sub-Fund is actively managed without reference to any benchmark meaning that the Investment Manager has full discretion over the composition of the Sub-Fund. Therefore, the composition of the portfolio holdings is not constrained by the composition of the Index and the deviation of portfolio holdings from the Index may be significant.

##### **Policy**

At least 51% of its total net assets will be invested in any fixed- or floating-rate security.

The duration of the portfolio will not exceed three years.

The remaining time to maturity of each investment included in the portfolio will not exceed five years. For any avoidance of doubt, this Sub-Fund does not qualify as a money market fund within the meaning of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds.

The Sub-Fund may use, for investment purposes and/or efficient portfolio management purposes, as well as for hedging purposes, financial derivative instruments dealt in on a regulated or an OTC market.

The Sub-Fund may also hold money market instruments, within the limits illustrated in Section 6. “Investment Restrictions”.

The Sub-Fund will not invest more than 10% of its total net assets in contingent convertible bonds (“**Cocos**”).

On an ancillary basis, the Sub-Fund may hold cash (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its total net assets in order to ensure the liquidity of the Sub-Fund.

If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold up to 100% of its net assets in liquidities as, among others, cash deposits, money market UCIs and money market instruments.

The Sub-Fund will not make any investment into securitisations as described in the Securitisation Regulation.

Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA opinion on share classes of UCITS (ESMA34-43-296).

The Sub-Fund’s reference currency is EUR.

**Classes**

EUR USD (Exchange rate risk hedging is pursued in relation to the Euro) CHF (Exchange rate risk hedging is pursued in relation to the Euro) EUR - I reserved to institutional investors as mentioned in Section 17. "Shares"

**Distribution Policy**

For Class EUR – I: Capitalization For all other Classes: Distribution

**Initial Subscription Period**

Class EUR: From 16 to 18 October 2002

Class USD: 27 June 2011

Class CHF: 27 June 2011

Class EUR – I reserved to institutional investors: From 18 September 2017 to 29 September 2017

**Initial Subscription Price per Share**

Class EUR: EUR 100

Class USD: USD 104.55

Class CHF: CHF 103

Class EUR – I reserved to institutional investors: EUR 100

**Net asset value Frequency**

Daily on each bank business day on which banks are fully open for business in Luxembourg and on which the market is also open according to the market rules of Borsa Italiana S.p.A ("Business Day") (please refer to the calendar published by Borsa Italiana S.p.A).

**Investment Manager**

Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

**Subscription Fee**

Maximum 1.50% of the net asset value for the benefit of the distributors.

**Fees claimed by local intermediaries**

Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

**Investment Management Fee**

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the

Sub-Fund during the quarter to which it applies.

EUR: 0.50%

USD: 0.50%

CHF: 0.50%

EUR – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.25%

### **Performance Fee**

None

### **Fee for the Sub-Distributors**

In addition to any subscription fees that it may receive, the Sub-Distributor is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
EUR	0.30%	0.4250%
EUR - I	N.A.	0.125%
USD	0.30%	0.4250%
CHF	0.30%	0.4250%

\*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

### **Global Exposure**

Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments (“**FDI**”) and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

### **Likely Impacts following the occurrence of a Sustainability Risk**

A wide range of Sustainability Risks can affect bond borrowers' cash flows and affect their ability to meet their debt obligations.

In addition, considering the worldwide, multi-asset investment strategies without any industry sector focus, the Sub-Fund is expected to display a highly diversified portfolio.

Therefore, it is expected that the Sub-Fund will be exposed to a broad range of Sustainability Risks, which will differ across the underlying companies. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, some sectors or individual companies may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the return of the Sub-Fund or on the value of the Sub-Fund's investments.

## **5. BASE INVESTMENTS SICAV – MACRO DYNAMIC**

### **Objective**

The Sub-Fund's objective is to obtain an absolute return by means of a dynamic portfolio with a view to medium to long-term (3 to 5 years) capital appreciation achieved combining different assets without geographical nor currency constraints. For that purpose, the Sub-Fund will set up, in the investors' interest, a flexible asset allocation with reference to the economical environment.

The Sub-Fund is actively managed without reference to any benchmark meaning that the Investment Manager has full discretion over the composition of the Sub-Fund.

In order to achieve its investment objective, the Sub-Fund will select strategies involving fixed income, equity, options and future instruments, long and short position and select among them to optimize risks and returns.

The main strategies are:

1. Risk arbitrage: investment strategies involving the possibility to profit from a corporate action (merger/right issue/share class conversions or tender offer);
2. Yield Enhancing: purchase of a security and simultaneous sale of options to enhance the risk/reward profile of the position;
3. Alpha Capture: stock picking vs index/sectors/single equity. Stock selection is made with a qualitative method based on fundamental analysis, market capitalization, ESG indicator and valuation of future prospective. Technical considerations enhance market timing;
4. Macro strategies: strategies gaining indirect exposure to commodities (by using transferable securities providing exposure to exchange traded commodities which are considered eligible as per the criteria described under the Grand-Ducal Regulation of 8 February 2008, or through derivative instruments, whose constituents are eligible diversified commodity indices), currency and rates; and
5. Bond strategy, including among others a more dynamic activity in bonds markets to get capital appreciation in line with market interest rates.

### **Policy**

Depending on market trends, the total net assets of this Sub-Fund may be flexibly invested in both equity securities, equity indexes eligible under the 2010 Law, ETFs, in all types of fixed-income securities, warrants and ADRs. The Sub-Fund may also have an exposure in different currency pairs.

The Sub-Fund may invest in financial derivative instruments on equities, debt securities, foreign exchange rates, currencies and interest rates as well as in financial derivative instruments on indices composed of the above mentioned underlyings.

Investments will be made in equities, forex, interest rate and credit also through index underlying eligible under the 2010 Law. The Sub-Fund will not have any geographical

restrictions regarding investments, which may be made in emerging markets as well.

Equity securities include, but are not limited to common stock, preferred stock and securities convertible into common stock, warrants and rights, other securities with equity characteristics (which include any instrument tied to a specific security or basket of securities, such as equity-linked derivatives and notes, certain options on common stock) and SPACs (Special Purpose Acquisition Companies). The Sub-Fund will invest up to 10% of its total net assets in SPACs.

Under the risk-diversification principle, the Sub-Fund will invest in various types of fixed-income securities such as, but not limited to, fixed and floating rate bonds, short term bonds, indexed bonds eligible under the 2010 Law (i.e. bonds the performance of which is linked to an index of transferable securities subordinated bonds and in convertible bonds).

The Sub-Fund will have no constraint on the rating of the bonds it is investing in, so it may be invested in non investment grade bonds and/or bonds without a rating issued by the most important rating agencies (Standard & Poor's, Moody's, Fitch).

The Sub-Fund may gain indirect exposure to commodities for a maximum of 10% by investing in other eligible instruments including exchange traded notes qualifying as transferable securities within the meaning of article 41 of the 2010 Law. The ETNs are Delta one notes tracking the performance of an underlying commodity, commodity future or commodity index.

On an ancillary basis, the Sub-Fund may hold cash (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its total net assets in order to ensure the liquidity of the Sub-Fund.

If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold up to 100% of its net assets in liquidities as, among others, cash deposits, money market UCIs and money market instruments.

The Sub-Fund will not invest more than 10% of its total net assets in units or shares of other UCITS or UCIs.

The Sub-Fund will not invest more than 10% of its total net assets in contingent convertible bonds ("**Cocos**").

The Sub-Fund may use, for hedging, investment and/or efficient portfolio management purposes, financial derivative instruments including, but not limited to, futures, options, swaps, equity derivatives, CFDs, forward, forward currency contract, spot foreign exchange contracts, currency swaps, and currency options. The Sub-Fund may use financial derivative instruments either dealt in on a regulated and/or an OTC market.

In particular, financial derivative instruments will be used for, inter alia, hedging purposes and efficient portfolio management but also to enhance return when the Investment Manager believes the investment in financial derivative instruments will assist the Sub-Fund in achieving its investment objectives.



The use of financial derivative instruments by the Sub-Fund involves a certain number of risks. These risks strongly depend on the positions taken by the Sub-Fund. The loss is limited in some cases to the premium amount invested but may, in other cases, be considerable. The use of derivative instruments such as futures, options, warrants, OTC contracts and swaps, involves additional risks. The ability to successfully use such instruments depends on the ability of the Investment Manager to accurately anticipate the evolution of equities prices, interest rates, currency exchange rates or other economic factors as well as the access to liquid markets. If the Investment Manager's expectations are incorrect, or if the financial derivative instruments do not work as expected, the result can lead to high losses. The use of the instruments above mentioned can often have a leverage effect. This leverage adds additional risks because losses may be important in relation to the amount invested in these instruments. These instruments are highly volatile and their market value may be subject to significant fluctuations.

The Sub-Fund will not make any investment into securitisations as described in the Securitisation Regulation.

Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA opinion on share classes of UCITS (ESMA34-43-296).

The Sub-Fund's reference currency is EUR.

**Subscribers are informed that this Sub-Fund is subject to the risks described in Section 5, paragraph 5.15. "Risks linked to investment in small and medium-capitalised companies (small and medium cap)".**

### **Classes**

EUR USD (Exchange rate risk hedging is pursued in relation to the Euro)

CHF (Exchange rate risk hedging is pursued in relation to the Euro)

EUR - I reserved to institutional investors as mentioned in Section 17. "Shares"

CHF - I reserved to institutional investors as mentioned in Section 17. "Shares" (Exchange rate risk hedging is pursued in relation to the Euro)

USD - I reserved to institutional investors as mentioned in Section 17. "Shares" (Exchange rate risk hedging is pursued in relation to the Euro)

EUR - SR

USD – SR (Exchange rate risk hedging is pursued in relation to the Euro)

CHF – SR (Exchange rate risk hedging is pursued in relation to the Euro)

### **Distribution Policy**

Capitalization

### **Initial Subscription Period**

Class EUR: From 19 September 2016 to 3 October 2016

Class USD: From 19 September 2016 to 3 October 2016

Class CHF: From 19 September 2016 to 3 October 2016

Class EUR – I reserved to institutional investors: From 18 September 2017 to 29 September 2017  
Class CHF - I reserved to institutional investors: Upon first subscription

Class USD – I reserved to institutional investors: Upon first subscription

Class EUR – SR: Upon first subscription

Class USD – SR: Upon first subscription  
Class CHF – SR: Upon first subscription

#### **Initial Subscription Price per Share**

Class EUR: EUR 100  
Class USD: USD 100  
Class CHF: CHF 100  
Class EUR – I reserved to institutional investors: EUR 100  
Class CHF – I reserved to institutional investors: CHF 100  
Class USD – I reserved to institutional investors: USD 100  
Class EUR – SR: EUR 100  
Class USD – SR: USD 100  
Class CHF – SR: CHF 100

#### **Net asset value Frequency**

Daily on each bank business day on which banks are fully open for business in Luxembourg and on which the market is also open according to the market rules of Borsa Italiana S.p.A (“**Business Day**”) (please refer to the calendar published by Borsa Italiana S.p.A).

#### **Investment Manager**

Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

#### **Sub-Investment Manager**

Sempione SIM S.p.A., via Maurizio Gonzaga 2, 20123 Milano, Italy, has been appointed by the Investment Manager as Sub-Investment Manager, for the daily management of the assets of the Sub-Fund.

The agreement may be terminated at any time by either party through a ninety (90) days prior notice to be sent by registered letter.

#### **Subscription Fee**

Maximum 3% of the net asset value for the benefit of the distributors.  
For Classes EUR -SR, USD – SR and CHF -SR: no subscription fee.

#### **Fees claimed by local intermediaries**

Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

#### **Investment Management Fee**

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose

maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies:

EUR: 1.50%

USD: 1.50%

CHF: 1.50%

EUR – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.75%

CHF – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.75%

USD – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.75%

EUR – SR: 2.25%

USD – SR: 2.25%

CHF – SR: 2.25%

### **Sub-Investment Manager Fee**

The Sub-Investment Manager is entitled to receive from the Investment Manager a fee payable on a quarterly basis whose maximum rate is the following, calculated on the average net asset value of each class of the Sub-Fund during the relevant quarter. In particular for:

EUR: up to 0.75%

USD: up to 0.75%

CHF: up to 0.75%

EUR – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.375%

CHF – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.375%

USD – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.375%

EUR – SR: up to 1.125%

USD – SR: up to 1.125%

CHF – SR: up to 1.125%

### **Performance Fee**

The Investment Manager will receive a performance fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value (NAV), equivalent to 15% of the performance of the Net Asset Value against the High Water Mark, (as defined hereafter).

The High Water Mark is defined as the last NAV after performance fee, on which a performance fee has been paid. The first High Water Mark is the first NAV applicable as from 1 January 2022.

Subscriptions are added to the High Water Mark. Redemptions are taken into account by reducing the High Water Mark, in proportion to the number of units redeemed. Where applicable, the total amount of dividends distributed will be deducted from the High Water Mark.

The Performance Fee is calculated on the basis of the Net Asset Value after deducting all expenses, costs and fees (but before Performance Fee), and adjusting for subscriptions and redemptions/conversions during the relevant calculation period so that these will not affect the Performance Fee payable.

Performance fee is measured over a calculation period (hereinafter the “**Calculation Period**”) which corresponds to the calendar year.

Any first calculation period shall start on the launch date of the relevant Share Class and

terminate at the last Valuation Day of the following calendar year, in order to make sure that the first Performance Fee payment would occur after a minimum period of twelve (12) months. The subsequent calculation periods shall start on the last Valuation Day at the end of the previous Calculation Period and terminate on the last Valuation Day of each following calendar year.

The crystallisation frequency is yearly.

The performance reference period (the “**Performance Reference Period**”), which is the period at the end of which the past losses can be reset is set at five (5) years. At the end of this period, the mechanism for the compensation for past underperformance (or negative performance) can be reset.

Only at the end of five years of overall underperformance over the Performance Reference Period, losses can be partially reset on a yearly rolling basis, by writing off the first year of performance of the current calculation period of the Share Class. Within the relevant Performance Reference Period, losses of the first year can be offset by gains made within the following years of the Performance Reference Period.

The Performance Fee payable will be equal to the NAV Performance multiplied by the Performance Fee Rate for the relevant Share Class. A provision for the accrued Performance Fee, if any, is made at each valuation date of the Net Asset Value of the relevant Share Classes. No performance fee will be due if the Net Asset Value before Performance Fee turns out to be below the High Water Mark for the Calculation Period in question. If the Net Asset Value decreases during the Calculation Period, the provisions made in respect of the Performance Fee will be reduced accordingly. If these provisions fall to zero, no Performance Fee will be payable.

In the event that a Shareholder redeems or converts shares prior to the end of the Calculation Period, any accrued but unpaid Performance Fee in respect of such shares will be crystallized and paid at the end of the relevant calculation period.

If a Share Class is closed before the end of any Calculation Period or if the relevant Sub-Fund is merged with another UCITS, the Performance Fee in respect of such Performance Fee Period will be calculated and, where applicable, paid as though the date of termination/merger were the end of the relevant Calculation Period, unless it is not in the interest of the relevant Shareholders.

Examples of determination of Performance Fee for a Class of Share on the basis of the following assumptions:

- the Class of Share is composed of one Share only and is not affected by any subscription, conversion or redemption during the different periods;
- no dividend is paid during the different periods.

The Investment Manager may pay up to 100% of the performance fee to the Sub-Investment Manager as described in the Sub-Investment Management Agreement from time to time in force.

Year	NAV before Performance Fee	HWM	Annual Performance Amount	Amount to recover current Period	Adjusted loss reset of Y-5 (if any)	Amount to recover after reset	Performance against the HWM	Performance Fee	Payment of PF at the Year	NAV after Performance Fee
1	110,00	100,00	10,00				10,00	1,50	YES	108,50
2	100,00	108,50	-8,50				-8,50	0,00	NO	100,00
3	104,00	108,50	4,00	-8,50		-8,50	-4,50	0,00	NO	104,00
4	105,00	108,50	1,00	-4,50		-4,50	-3,50	0,00	NO	105,00
5	104,00	108,50	-1,00	-3,50		-3,50	-4,50	0,00	NO	104,00
6	102,00	108,50	-2,00	-4,50		-4,50	-6,50	0,00	NO	102,00
7	106,00	105,00	4,00	-6,50	3,50	-3,00	1,00	0,15	YES	105,85

### **Year 1:**

The NAV before Performance Fee is superior to the HWM (by EUR 10), and generates a Performance Fee equal to EUR 1.5. The HWM is set at 108.5 for the future.

### **Year 2:**

The NAV before Performance Fee is inferior to the HWM (EUR -8.5), and no Performance Fee is calculated. The HWM remains unchanged.

### **Year 3:**

The NAV before Performance Fee increases by EUR 4 to reach 104, but remains inferior to the HWM (EUR -4.5). No Performance Fee is calculated. The HWM remains unchanged.

### **Year 4:**

The NAV before Performance Fee increases by EUR 1 to reach 105, but remains inferior to the HWM (EUR -3.5). No Performance Fee is calculated. The HWM remains unchanged.

### **Year 5:**

The NAV before Performance Fee decreases by EUR 1 and falls to 104, and remains inferior to the HWM (EUR -3.5). No Performance Fee is calculated. The HWM remains unchanged.

### **Year 6:**

The NAV before Performance Fee decreases by EUR 2 and falls to 102, and remains inferior to the HWM (EUR -5.5). No Performance Fee is calculated.

The HWM is updated for the beginning of the next Year as the NAV underperformed the HWM for 5 consecutive years: losses from Year 1 of EUR -8.5, adjusted by subsequent gains of Year 3 (EUR 4) and Year 4 (EUR 1), for a total of EUR -3.5, are no longer to be considered in the performance calculation as from the beginning of Year 7. The new HWM corresponds to the NAV after performance fees of Year 6, increased by the remaining losses of EUR 3, or EUR 105.

### **Year 7:**

The NAV before Performance Fee increases by EUR 4 to reach 106. It is now superior to the new HWM (by EUR 1), and generates a Performance Fee equal to 0.15. The HWM is set at 105.85 for the future.

### **Fee for the Sub-Distributors**

In addition to any subscription fees that it may receive, the Sub-Distributor is paid periodic

fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Maximum Rate	Institutional Maximum Rate *
EUR	1.050%	1.275%
EUR - I	N.A.	0.375%
USD	1.050%	1.275%
CHF	1.050%	1.275%
CHF – I	N.A.	0.375%
USD - I	N.A.	0.375%
EUR – SR	2.025%	2.025%
USD – SR	2.025%	2.025%
CHF - SR	2.025%	2.025%

\*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

### **Global Exposure**

Regarding the risk management procedure, the Sub-Fund's global exposure is monitored and measured using the absolute VaR approach.

The Sub-Fund's VaR may not exceed 20% of the Sub-Fund's Net Asset Value.

In financial mathematics and risk management, the VaR approach is a widely used method to calculate the risk of loss on financial assets of a specific investment portfolio. For a given investment portfolio, with a given probability level and time horizon, VaR is defined as the limit on which basis the potential loss of the investment portfolio's market value over the given time horizon exceeds such limit (under normal market conditions and with no transactions involving the investment portfolio) is equal to said probability level.

The VaR is calculated based on a single confidence level of 99%, as well as a 20-days holding period.

### **Leverage**

In order to efficiently implement the Sub-Fund's strategy and to achieve the risk target that is consistent with the Sub-Fund's risk profile, the Sub-Fund will rely intensively on financial derivative instruments and underlyings that may generate a high level of leverage and the Sub-Fund may experience higher volatility than a fixed income fund that does not use leverage.

While leverage presents opportunities for increasing the Sub-Fund's return to Shareholders, it also has the effect of potentially increasing losses should the return on the underlying be negative.

Although the Sub-Fund's level of risk can be increased by using financial derivatives for investment purposes, the Sub-Fund also uses derivatives within a portfolio construction process that is focused on diversifying strategies and managing risk correlation which can contribute to reducing the Sub-Fund's level of risk.

Some of the strategies will rely on instruments that require a substantial level of gross leverage to generate a limited amount of risk, such as bond futures. Also derivatives used within the long and short strategies may generate a high level of gross leverage but reduced level of net leverage.

Due to the utilisation of leverage within the underlying, Shareholders should be aware of the increased risk of losing part or all its investment, however shortfall risk is managed in accordance with the risk management policies of the SICAV.

There are two methods of calculating the leverage of the Sub-Funds: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Sub-Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio.

Based on the sum of the notionals of financial derivative instruments approach, the Sub-Fund's maximum expected average level of leverage will be 1.500% of the Sub-Fund's Net Asset Value. The investor should be aware that financial derivative instruments might partially be used for hedging risks to which the Sub-Fund would otherwise be exposed to. Therefore increasing gross exposure (i.e. increasing notional amounts during the lifetime of the Sub-Fund) might in some cases be the consequence of an increased level of hedging.

From time to time, the Sub-Fund uses short term interest rate derivatives in order to achieve its investment objective. Short term interest rate derivatives have extremely low duration and therefore low volatility. In order to ensure that the Sub-Fund achieves its target risk/return when investing in short term interest rate derivatives, the Sub-Fund may invest in large notional of these products. Despite the larger exposures in financial derivative instruments, the risks relating to this are controlled and the Investment Manager ensures that the allocation to each product type is optimised for its risk-adjusted returns.

The Sub-Fund's level of leverage may possibly be higher in a low market volatility environment. In certain exceptional circumstances the aforementioned level could be higher. This could be the case, for example, in situations where a large amount of financial futures and options are used in the context of different strategies. Typically, this will have a higher impact on the level of leverage calculated on the basis of the sum of notionals approach, but much less based on the commitment approach.

#### **Likely Impacts following the occurrence of a Sustainability Risk**

It is expected that this Sub-Fund will be exposed to a broad range of Sustainability Risks which will differ from company to company. Some markets and sectors will have greater exposure to Sustainability Risks than others. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

## **6. BASE INVESTMENTS SICAV – MULTI ASSET CAPITAL APPRECIATION FUND OF FUNDS**

### **Objective**

The investment objective of the Sub-Fund is to outperform an index consisting of Bloomberg Barclays Global Aggregate (34%), MSCI WORLD TR Net (33%) and Euro short term rate ESTR index (33%) (the “**Index**”) over a full investment cycle of 5 years, by integrating quantitative and systematic strategies in the asset allocation with the aim to build a robust portfolio and an ordered investment process.

The Sub-Fund is actively managed and references to benchmark for performance fee calculation only, as further disclosed under section “Performance Fee” below. The Investment Manager has full discretion over the composition of the Sub-Fund. Therefore, the composition of the portfolio holdings is not constrained by the composition of the Index and the deviation of portfolio holdings from the Index may be significant.

### **Policy**

The Sub-Fund may invest in equities, fixed income securities (including convertible bonds), money market instruments and derivatives, through a multi-asset investment management strategy, both directly and via UCITS and/or UCI investment vehicles which may, in particular, implement the following strategies:

- equity long only / equity long-short;
- credit long only / credit long-short;
- convertible bond;
- macro discretionary / macro systematic;
- CTAs; and
- equity market neutral strategies.

Investments will mainly be made in shares or units of UCITS and/or other UCIs, including other Sub-Funds of the SICAV, provided they conform to the conditions set forth in Section 6. “Investment Restrictions”. The Sub-Fund will invest no more than 20% of its total net assets in the same UCITS or in the same other UCI.

Derivative instruments can be used to complete the desired asset-allocation.

The investment selection will be based on a thorough analysis of each instrument, to ensure that at any time the Sub-Fund is allocated coherently with the objective described above.

The Sub-Fund will not make any investment into securitisations as described in the Securitisation Regulation.

The Sub-Fund will only invest in UCITS and/or other UCIs which implement a liquid investment strategy which will not impact the redemption frequency of the Sub-Fund.

The Sub-Fund will not apply particular restrictions in terms of geographical areas and/or business sectors, even though the bulk of investments will be made in liquid and developed markets.



The maximum level of the on-going charges that may be charged by the UCITS and/or other UCIs in which the Sub-Fund intends to invest, shall not exceed 3.00% per annum of the net assets of the relevant UCITS or UCIs. This limit will be controlled directly by the Investment Manager.

The Sub-Fund may gain indirect exposure to commodities for a maximum of 10% by investing in other eligible instruments including exchange traded notes (ETNs) qualifying as transferable securities within the meaning of article 41 of the 2010 Law. The ETNs are Delta one notes tracking the performance of an underlying commodity, commodity future or commodity index.

The remaining assets may be invested, to the full extent and within the limits permitted by the 2010 Law, in all eligible assets as defined in Section 6. "Investment Restrictions".

The Sub-Fund may, on an ancillary basis, hold cash (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its total net assets.

If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold up to 100% of its net assets in liquidities as, among others, cash deposits, money market UCIs and money market instruments.

The Sub-Fund may use, for investment purposes and/or efficient portfolio management purposes, as well as for hedging purposes, financial derivative instruments including, but not limited to, futures, forward and spot foreign exchange contracts, currency swaps, currency options. The Sub-Fund may use financial derivative instruments either dealt in on a regulated or an OTC market.

Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA opinion on share classes of UCITS (ESMA34-43-296).

The Sub-Fund's reference currency is EUR.

### **Classes**

EUR

EUR - I reserved to institutional investors as mentioned in Section 17. "Shares":

USD (Exchange rate risk hedging is pursued in relation to the Euro)

CHF (Exchange rate risk hedging is pursued in relation to the Euro)

EUR - SR

USD – SR (Exchange rate risk hedging is pursued in relation to the Euro)

CHF – SR (Exchange rate risk hedging is pursued in relation to the Euro)

### **Distribution Policy**

Capitalization

### **Initial Subscription Period**

Class EUR: From 18 September 2017 to 29 September 2017

Class EUR – I reserved to institutional investors: From 18 September 2017 to 29

September 2017

Class USD: From 18 September 2017 to 29 September 2017

Class CHF: From 18 September 2017 to 29 September 2017

Class EUR – SR: Upon first subscription

Class USD – SR: Upon first subscription

Class CHF – SR: Upon first subscription

### **Initial Subscription Price per Share**

Class EUR: EUR 100

Class EUR – I reserved to institutional investors: EUR 100

Class USD: USD 100

Class CHF: CHF 100

Class EUR – SR: EUR 100

Class USD – SR: USD 100

Class CHF – SR: CHF 100

### **Net asset value Frequency**

Daily on each bank business day on which banks are fully open for business in Luxembourg and on which the market is also open according to the market rules of Borsa Italiana S.p.A (“**Business Day**”) (please refer to the calendar published by Borsa Italiana S.p.A).

### **Investment Manager**

Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of 90 days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

### **Subscription Fee**

Maximum 5% of the net asset value for the benefit of the distributors. For Classes EUR -SR, USD – SR and CHF -SR: no subscription fee

### **Fees claimed by local intermediaries**

Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

### **Investment Management Fee**

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies:

EUR: 1.00%

EUR – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.50%

USD: 1.00%

CHF: 1.00%

EUR – SR: 1.50%  
USD – SR: 1.50%  
CHF – SR: 1.50%

### **Performance Fee**

The Investment Manager receives a performance fee, payable yearly and determined as of each day the NAV is calculated equal to the 20% of the difference between the performance of the relevant Share Class and the performance of an index so composed: 34% Bloomberg Barclays Global Aggregate in USD, 33% MSCI World TR Net in USD and 33% Euro short term rate ESTR index in EUR (the “**Index**”).

The performance fee is only applicable at the end of each calendar year if (i), net of all costs (except for the performance fee), the Sub-Fund’s performance for the same period is higher than the performance of the Index and (ii) any underperformance in the previous four (4) calendar years, if applicable, has been recovered before a performance fee becomes payable, the performance reference period being set equal to five (5) years.

**Performance fee is due in that case even if the performance of the Share Class is negative but better than the performance of the Index.**

The calculation period begins on 1 January and ends on 31 December of each calendar year. The years regarding the performance reference period are calculated on a rolling basis. The basis for the performance measure is the last Valuation Day; the NAV and performance is calculated and accrued on a daily basis and crystallised once per year. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. At the end of the year, the fee may be calculated and paid considering unrealised gains. The performance fee is due in the first five (5) years of the Sub-Fund during which the condition applies from the launch of the Sub-Fund to the last Valuation Day, this means that during the first 5 years after the launch of the Sub-Fund a performance fee could be paid if there is no loss to recover since the launch of the SICAV. Notwithstanding the foregoing, the first calculation period for any share class launched after the launch of the Sub-Fund shall commence on the date such class is launched and shall not end earlier than twelve (12) months from its launch date.

The value of subscriptions and redemptions during the calculation period will be taken into account. If a Shareholder redeems the Shares before the end of such period, the right to the performance fee, accumulated but not paid on these Shares, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

The amounts accrued during each calculation period are crystallised at the end of the period and paid within the thirtieth (30th) bank business day of the following year.

If (i) a Shareholder redeems the Shares before the end of such period or (ii) the assets of the Sub-Fund or of a class of Shares are transferred to or merged with those of another Sub-Fund within the SICAV or a New UCITS or with those of a New UCITS, the right to the performance fee, accumulated but not paid on these Shares as of respectively (i) the NAV Calculation Day on which the redemption request is processed and (ii) the effective date of merger, shall be set aside and the fee shall be paid to the Investment Manager at the end of the period.

The Investment Manager may pay up to 100% of the performance fee to the Sub-Investment Manager as described in the Sub-Investment Management Agreement from time to time in force.

#### Example

	Inception	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
NAV%		10%	10%	10%	10%	-5%	-2%
NAV absolute	100	110	121	133.1	146.4	139.1	136.3
(1) Delta year		10	11	12.1	13.3	-7.3	-2.8
Benchmark %		20%	8%	-1%	5%	-1%	-10%
Bench absolute	100	120.0	129.6	128.3	134.7	133.4	120.0
(2) Delta year		20	9.6	-1.3	6.4	-1.3	-13.3
A: Extra performance	-	10.0	1.4	13.4	6.9	6.0	10.6
B: Underperformance to recover			10.0	8.6	-		6.0
C: Underperformance recovered			1.4	8.6	-		-
D: Extra performance after recovering	-	10.0	8.6	4.8	6.9	6.0	4.6
		0	0	4.8	6.9	0.0	4.6
E: Base for perf. Fee (D if positive)		NO	NO	YES	YES	NO	YES
		-	-	1.0	1.4	-	0.9
Performance fees							
Perf fees (20%xD)							

Year 1: The Fund underperforms BM, no Perf Fees are due, 10 (B) of underperf. to be recovered.

Year 2: Fund > BM with 1,4 of extra performance that partially recovers year 1. 8.6 still to recover.

Year 3: Fund > BM by 13.4. All past losses (8.6) are recovered and on the remaining 4.8 a perf. fee is paid

Year 4: Fund > BM by 6.9. No losses to recover, so a perf. fee is paid on the whole extra perf.

Year 5: Fund < BM by 6. No performance fees to pay and 6 of losses to recover next year

Year 6: Fund > BM by 10,6. After recovering year 5 losses a perf. fee is paid even if the NAV is negative.

#### **Fee for the Sub-Distributors**

In addition to any subscription fees that it may receive, the Sub-Distributor is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes	Standard Rate	Maximum	Institutional Maximum Rate *
EUR	0.70%		0.85%
EUR - I	N.A.		0.25%.
USD	0.70%		0.85%
CHF	0.70%		0.85%
EUR – SR	1.35%		1.35%
USD – SR	1.35%		1.35%
CHF - SR	1.35%		1.35%

\*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

### **Global Exposure**

Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments (“**FDI**”) and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the equivalent position in its underlying asset.

### **Likely Impacts following the occurrence of a Sustainability Risk**

It is expected that this Sub-Fund will be exposed to a broad range of Sustainability Risks which will differ from company to company. Some markets and sectors will have greater exposure to Sustainability Risks than others. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Fund.

## **7. BASE INVESTMENTS SICAV – SEMPIONE SMART EQUITY**

### **Objective**

The Sub-Fund investment objective is to achieve capital appreciation in the medium to long term, mainly by investing in shares of companies of high standing and solidity with global geographical exposure; the management style is active with a bottom-up approach based both on fundamental analysis and on more tactical opportunities.

The reference benchmark consists of:

- 40% Eurostoxx50 index (SX5E Index)
- 40% S&P500 index (SPX Index)
- 20% Euro short term rate ESTR index (OISESTR Index).

The Sub-Fund is actively managed and references to benchmark for performance fee calculation only, as further disclosed under section “Performance Fee” below. The Investment Manager has full discretion over the composition of the Sub-Fund and is not designed to track the Index. Therefore, the composition of the portfolio holdings is not constrained by the composition of the Index and the deviation of portfolio holdings from the Index may be significant.

### **Investment Policy**

The Investment Manager determines the universe of plausible investments by selecting equities of companies listed on the main global Stock Exchanges using mostly qualitative criteria up to selecting the invested portfolio.

The criteria used include, by way of example:

- Size and market cap
- Financial solidity
- Fundamentals evaluation
- Future perspectives
- ESG indicators

Technical considerations and market-timing evaluation are further elements completing investment choices.

This means that the Sub-Fund will invest at least 51% of its total net assets in equity securities including, but not limited to, common stock, preferred stock and securities convertible into common stock, warrants and rights, and other securities with equity characteristics (which include any instrument tied to a specific security or basket of securities, such as equity-linked derivatives and notes, certain options on common stock), including SPACs, Special Purpose Acquisition Companies. The Sub-Fund will invest up to 10% of its total net assets in SPACs.

The Sub-Fund may hold cash (i.e. bank deposits at sight, such as cash held in current accounts with a bank accessible at any time) up to 20% of its total net assets.

If the Investment Manager considers this to be in the best interest of the Shareholders, on a temporary basis and for defensive purposes, the Sub-Fund may also hold up to 100% of its net assets in liquidities as, among others, cash deposits, money market UCIs and money

market instruments.

Up to 49% of the total net assets of the Sub-Fund may be invested in bonds, i.e. in fixed-income securities having a rating of minimum BBB- according to one of the three main rating agencies (Standard & Poor's, Moody's, Fitch) or an Internal Rating approved by the Board of Directors, money markets instruments and certificates of deposits, as long as the average duration is less than two (2) years.

In case of not rated issues, which do not have subordination to other liabilities (i.e. senior bonds), the rating of the issue will be considered as equal as the rating of the issuer.

The Sub-Fund will not invest in non-investment grade bonds. The Sub-Fund will not invest in distressed or default securities. In the event of a rating downgrade, the Sub-Fund may hold non-investment grade, distressed (CC and below) or default securities up to 5% of the total net assets. The securities would be sold off as soon as possible in the best interest of the Shareholders.

The Sub-Fund may invest in particular in UCITS ETFs, ETNs or ETCs. The underlying assets of those ETNs and ETCs may consist of indices, including commodity indices for a maximum of 10%. Such ETNs and ETCs must be listed on a regulated market and qualify as transferable securities within the meaning of article 41 of the 2010 Law and the criteria described under article 2 of the Grand-Ducal Regulation of 8 February 2008. The ETNs are Delta one notes tracking the performance of an underlying commodity, commodity future or commodity index.

The Sub-Fund will not invest more than 10% of its total net assets in units or shares of other UCITS or UCIs.

The Sub-Fund may use, for hedging, investment and/or efficient portfolio management purposes, financial derivative instruments including, but not limited to, futures, options, forward and spot foreign exchange contracts, currency swaps, currency options, equity derivatives and CFDs. The Sub-Fund may use financial derivative instruments either dealt in on a regulated and/or an OTC market.

In particular, financial derivative instruments will be used for, inter alia, hedging purposes and efficient portfolio management but also to enhance return when the Investment Manager believes the investment in financial derivative instruments will assist the Sub-Fund in achieving its investment objectives.

Long exposure will be obtained through direct investment in securities and derivative financial instruments. Short exposure will be obtained through the use of derivative financial instruments. The Sub-Fund may enter into currency hedging transactions using appropriate derivative instruments.

The Sub-Fund will not make any investment into securitisations as described in the Securitisation Regulation.

Hedged Classes of Shares are Classes of Shares to which a hedging strategy aiming at mitigating currency risk against the EUR is applied in accordance with ESMA opinion on

share classes of UCITS (ESMA34-43-296).

The Sub-Fund's reference currency is EUR.

**Subscribers are informed that this Sub-Fund has a share class denominated in a different currency and is subject to exchange rate risk, as illustrated in Section 5. "Special Considerations on Risks", paragraph 5.7 "Exchange Rate Risks".**

### **Classes**

EUR

USD (Exchange rate risk hedging is pursued in relation to the Euro)

CHF (Exchange rate risk hedging is pursued in relation to the Euro)

EUR - I reserved to institutional investors as mentioned in Section 17. "Shares"

CHF - I reserved to institutional investors as mentioned in Section 17. "Shares"

USD - I reserved to institutional investors as mentioned in Section 17. "Shares"

EUR - SR

USD - SR (Exchange rate risk hedging is pursued in relation to the Euro)

CHF - SR (Exchange rate risk hedging is pursued in relation to the Euro)

### **Distribution Policy**

Capitalization

### **Initial Subscription Period**

Class EUR: Upon first subscription

Class USD: Upon first subscription

Class CHF: Upon first subscription

Class EUR – I reserved to institutional investors: Upon first subscription

Class CHF - I reserved to institutional investors: Upon first subscription

Class USD – I reserved to institutional investors: Upon first subscription

Class EUR – SR: Upon first subscription

Class USD – SR: Upon first subscription

Class CHF – SR: Upon first subscription

### **Initial Subscription Price per Share**

Class EUR: EUR 100

Class USD: USD 100

Class CHF: CHF 100

Class EUR – I reserved to institutional investors: EUR 100 Class CHF – I reserved to institutional investors: CHF 100 Class USD – I reserved to institutional investors: USD 100

Class EUR – SR: EUR 100

Class USD – SR: USD 100

Class CHF – SR: CHF 100

### **Net asset value Frequency**

Daily on each bank business day on which banks are fully open for business in Luxembourg and on which the market is also open according to the market rules of Borsa Italiana S.p.A ("Business Day") (please refer to the calendar published by Borsa Italiana S.p.A).



**Investment Manager**

Banca del Sempione SA, Via Peri 5, CH-6900 Lugano, Switzerland, has been appointed, under an investment management agreement with the Management Company, for the daily management of the assets of the Sub-Fund. This agreement may be terminated with a prior notice of ninety (90) days.

Banca del Sempione SA is authorised to delegate the execution of orders and transactions to SEMPIONE SIM SpA, a subsidiary of Banca del Sempione SA, duly authorised by Banca d'Italia, which in particular provides securities brokerage services. SEMPIONE SIM SpA shall execute the orders, via third brokers, so to guarantee the best execution. A brokerage fee of up to 0.15% of the transaction amounts may be paid for this service by the Sub-Fund to SEMPIONE SIM SpA.

**Sub-Investment Manager**

Sempione SIM S.p.A., via Maurizio Gonzaga 2, 20123 Milano, Italy, has been appointed by the Investment Manager as Sub-Investment Manager, for the daily management of the assets of the Sub-Fund.

The agreement may be terminated at any time by either party through a ninety (90) days prior notice to be sent by registered letter.

**Subscription Fee**

Maximum 5% of the net asset value for the benefit of the distributors. For Classes EUR - SR, USD - SR and CHF -SR: no subscription fee.

**Fees claimed by local intermediaries**

Additional fees may be charged by local paying agents or similar entities in countries where the Sub-Fund is distributed.

**Investment Management Fee**

On a quarterly basis, the Sub-Fund shall pay the Investment Manager a fee, whose maximum rate is the following calculated on the average net asset value of each class of the Sub-Fund during the quarter to which it applies:

EUR: 1.50%

USD: 1.50%

CHF: 1.50%

EUR – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.75%

CHF – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.75%

USD – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.75%

EUR - SR: 2.25%

USD - SR: 2.25%

CHF - SR: 2.25%

### **Sub-Investment Management Fee**

The Sub-Investment Manager is entitled to receive from the Investment Manager a fee payable on a quarterly basis whose maximum rate is the following, calculated on the average net asset value of each class of the Sub-Fund during the relevant quarter. In particular for:

EUR: 0.75%

USD: 0.75%

CHF: 0.75%

EUR – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.375%

CHF – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.375%

USD – I reserved to institutional investors as mentioned in Section 17. “Shares”: 0.375%

EUR - SR: 1.125%

USD - SR: 1.125%

CHF - SR: 1.125%

### **Performance Fee**

The Investment Manager receives a performance fee, payable yearly and determined as of each day the NAV is calculated equal to the 20% of the difference between the performance of the relevant Share Class and the performance of an index so composed: 40% Eurostoxx50 index in EUR, 40% S&P500 index in USD and 20% Euro short term rate ESTR in EUR (the “Index”).

The past performance of the Index is shown on the key investor information document of the relevant Share Class.

The performance fee is only applicable at the end of each calendar year if (i) net of all costs (except for the performance fee), the relevant Share Class’s performance for the same period is higher than the performance of the Index and (ii) any underperformance in the previous four (4) calendar years, if applicable, has been recovered before a performance fee becomes payable, the performance reference period being set equal to five (5) years.

**Performance fee is due in that case even if the performance of the Share Class is negative but better than the performance of the Index.**

The calculation period begins on 1 January and ends on 31 December of each calendar year. The years regarding the performance reference period are calculated on a rolling basis. The basis for the performance measure is the last Valuation Day; the NAV and performance is calculated and accrued on a daily basis and crystallised once per year. If the NAV performance decreases during the calculation period, such accrual shall decrease as a result. At the end of the year, the fee may be calculated and paid considering unrealised gains. The performance fee is due in the first five (5) years of the Sub-Fund during which the condition applies from the launch of the Sub-Fund to the last Valuation Day, this means that during the first five (5) years after the launch of the Sub-Fund a performance fee could be paid if there is no loss to recover since the launch of the SICAV. Notwithstanding the foregoing, the first calculation period for any share class launched after the launch of the Sub-Fund shall commence on the date such class is launched and shall not end earlier than twelve (12) months from its launch date.

The value of subscriptions and redemptions during the calculation period will be taken into account. If a Shareholder redeems the Shares before the end of such period, the right to the performance fee, accumulated but not paid on these Shares, shall be accrued and payable

and the fee shall be paid to the Investment Manager at the end of the period.

The amounts accrued during each calculation period are crystallised at the end of the period and paid within the thirtieth (30th) bank business day of the following year.

If (i) a Shareholder redeems the Shares before the end of such period or (ii) the assets of the Sub-Fund are merged with those of another Sub-Fund within the SICAV or a New UCITS, the right to the performance fee, accumulated but not paid on these Shares as of respectively (i) the NAV Calculation Day on which the redemption request is processed and (ii) the effective date of merger, shall be accrued and payable and the fee shall be paid to the Investment Manager at the end of the period.

The Investment Manager may pay a part of up to 100% of the performance fee to the Sub-Investment Manager as described in the Sub-Investment Management Agreement from time to time in force.

#### Example

	Inception	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
NAV%		10%	10%	10%	10%	-5%	-2%
NAV absolute	100	110	121	133.1	146.4	139.1	136.3
(1) Delta year		10	11	12.1	13.3	-7.3	-2.8
Benchmark %		20%	8%	-1%	5%	-1%	-10%
Bench absolute	100	120.0	129.6	128.3	134.7	133.4	120.0
(2) Delta year		20	9.6	-1.3	6.4	-1.3	-13.3
A: Extra performance	-	10.0	1.4	13.4	6.9	6.0	10.6
B: Underperformance to recover			10.0	8.6	-		6.0
C: Underperformance recovered			1.4	8.6	-		-
D: Extra performance after recovering	-	10.0	8.6	4.8	6.9	6.0	4.6
		0	0	4.8	6.9	0.0	4.6
E: Base for perf. Fee (D if positive)		NO	NO	YES	YES	NO	YES
		-	-	1.0	1.4	-	0.9
Performance fees							
Perf fees (20%xD)							

Year 1: The Fund underperforms BM, no Perf Fees are due, 10 (B) of underperf. to be recovered.

Year 2: Fund > BM with 1,4 of extra performance that partially recovers year 1. 8.6 still to recover.

Year 3: Fund > BM by 13.4. All past losses (8.6) are recovered and on the remaining 4.8 a perf. fee is paid

Year 4: Fund > BM by 6.9. No losses to recover, so a perf. fee is paid on the whole extra perf.

Year 5: Fund < BM by 6. No performance fees to pay and 6 of losses to recover next year

Year 6: Fund > BM by 10,6. After recovering year 5 losses a perf. fee is paid even if the NAV is negative

### **Fee for the Sub-Distributors**

In addition to any subscription fees that it may receive, the Sub-Distributor is paid periodic fees as remuneration for its administrative assistance services provided to investors. Such fees shall not be paid by the Sub-Fund but by the Investment Manager, which gives up part of the fees paid from the Sub-Fund, as follows:

Share classes Standard Maximum Rate Institutional Maximum Rate \*

EUR	1.050%	1.275%
USD	1.050%	1.275%
CHF	1.050%	1.275%
EUR - I	N.A.	0.375%
CHF – I	N.A.	0.375%
USD - I	N.A.	0.375%
EUR - SR	2.025%	2.025%
CHF – SR	2.025%	2.025%
USD - SR	2.025%	2.025%

\*This maximum rate is reserved for institutional investors which give up this fee to their clients within the scope of their management mandate.

### **Global Exposure**

Regarding the risk management procedure, the Sub-Fund uses the commitment approach to monitor and measure the global exposure. This approach measures the total exposure in relation to financial derivative instruments (“**FDI**”) and other effective portfolio management techniques, if any, considering any effects of settlement and hedging, if any, which should not exceed the total net value of the Sub-Fund's portfolio.

Based on the standard commitment approach, each FDI position is converted into the market value of the underlying reference assets.

### **Risks related to the use of financial derivatives instruments**

The use of financial derivative instruments by the Sub-Fund involves a certain number of risks. These risks strongly depend on the positions taken by the Sub-Fund. The loss is limited in some cases to the premium amount invested but may, in other cases, be considerable. The use of derivative instruments such as futures, options, warrants, OTC contracts and swaps, involves additional risks. The ability to successfully use such instruments depends on the ability of the Investment Manager to accurately anticipate the evolution of equities prices, interest rates, currency exchange rates or other economic factors as well as the access to liquid markets. If the Investment Manager's expectations are incorrect, or if the financial derivative instruments do not work as expected, the result can lead to high losses. The use of the instruments above mentioned can often have a leverage effect. This leverage adds additional risks because losses may be important in relation to the amount invested in

these instruments. These instruments are highly volatile and their market value may be subject to significant fluctuations.

**Likely Impacts following the occurrence of a Sustainability Risk**

Considering the worldwide, multi-asset investment strategies without any industry sector focus, the Sub-Fund is expected to display highly diversified portfolio. Therefore, it is expected that the Sub-Fund will be exposed to a broad range of Sustainability Risks, which will differ across the underlying companies. Some markets and sectors will have greater exposure to Sustainability Risks than others. For instance, the energy sector is known as a major Greenhouse Gas (GHG) producer and may be subject to greater regulatory or public pressure than other sectors and thus, greater risk. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the return of the Sub-Fund or on the value of the Sub-Fund's investments.

## 31. ANNEX II - INFORMATION FOR INVESTORS IN SWITZERLAND

### 1. **Representative**

The Representative in Switzerland is Banca del Sempione SA, Via P. Peri 5, CH-6901 Lugano.

### 2. **Payment Agent**

The Paying Agent in Switzerland is Banca del Sempione SA, Via P. Peri 5, CH-6901 Lugano.

### 3. **Where investors may obtain the relevant documents**

The prospectus, key information documents ("KID"), articles of incorporation, and semi-annual and annual reports of the SICAV are available free of charge at the registered office of the Representative in Switzerland.

### 4. **Publications**

The SICAV's publications in Switzerland appear on the website [www.swissfunddata.ch](http://www.swissfunddata.ch). The net asset value with the note "excluding fees" of the Shares of each Sub-Fund and class is published daily on the website [www.swissfunddata.ch](http://www.swissfunddata.ch).

### 5. **Payment of Retrocessions and Rebates**

The Distributor and its agents may pay retrocessions as remuneration for the distribution activity of funds' units in Switzerland. This remuneration may serve as payment for the placement and distribution services of the SICAV shares and, in particular, for the following activities:

- organization of roadshows,
- participation in events and exhibitions,
- issuance of advertising materials,
- training of distribution staff, etc.

Retrocessions should not be considered rebates, even if they are fully or partially paid to investors.

Disclosure of retrocessions is governed by the relevant provisions of the FinSA.

Upon request, the Distributor and its agents may pay rebates directly to investors as part of distribution in Switzerland. These rebates are intended to reduce expenses or costs charged to interested investors. They are allowed provided that:

- they are paid out of the management fees received by the Distributor and do not represent an additional cost to the fund's assets;
- they are granted based on objective criteria;
- they are granted to the same extent and under the same conditions to all investors meeting these objective criteria and requesting them.

The objective criteria for granting rebates by the Distributor are hereby listed:

- the amount subscribed by the investor or the total amount held by the investor in the collective investment scheme or, if applicable, in the promoter's products range;
- the amount of fees generated by the investor;
- the investor's financial approach (e.g. expected investment horizon);
- the investor's willingness to support the launch phase of the collective investment scheme.

Upon request of the investor, the Distributor must provide, free of charge, information on the amounts of these rebates.

## **6. Place of Execution and Competent Court**

Regarding the Shares offered in Switzerland, the place of execution is at the registered office of the Representative in Switzerland. The competent court is at the registered office of the Representative in Switzerland or at the registered office or domicile of the investor.