



BlueOrchard
Impact Investment Managers

Member of the
Schroders Group

BlueOrchard Microfinance Fund

Investment company with variable capital (SICAV)

RCS Luxembourg B 66258

Fund under Luxembourg Law

Prospectus

February 2021



1. IMPORTANT INFORMATION*

* Capitalised terms used without definition are defined in section 5 "Definitions".

BlueOrchard Microfinance Fund is offering Shares on the basis of the information contained in this Prospectus, its Appendices and in the documents referred to herein. An amendment or updated Prospectus shall be provided, if necessary, to reflect material changes to the information contained herein.

In accordance with the Articles, Shares of the Company may be issued in one or several Sub-Funds. A separate portfolio of investments and assets is maintained for each Sub-Fund and is invested in accordance with the investment objectives and policies applicable to the relevant Sub-Fund. As a result, the Company is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. The specific details of each Sub-Fund are set forth in the relevant Appendix. Any reference to an Appendix pertains to the relevant Sub-Fund.

The Company is one single legal entity. The assets and liabilities of the Sub-Funds are segregated and creditors dealing with a Sub-Fund only have recourse to the assets attributable to that particular Sub-Fund. As between the Company's Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

Luxembourg – The Company is an investment company organised under the laws of the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) qualifying as an investment company with variable capital (*Société d'Investissement à Capital Variable*) with several separate Sub-Funds. The Company is governed by Part II of the 2010 Law. The registration of the Company as a Luxembourg undertaking for collective investment does not however require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the Company. Any representations to the contrary are unauthorised and unlawful. The Shares cannot be marketed and distributed to Retail Investors in Luxembourg

Netherlands - The Company's Shares have been registered for distribution to investors in the Netherlands, including to Retail Investors. Dutch investors should in addition refer to Appendix II to the Prospectus "Specific disclosure requirements for Dutch Investors"

AIFM Directive and 2013 Law – The Company qualifies as an AIF as defined under article 4.1(a) of the 2013 Law and article 1(39) of the 2013 Law. The Company's external AIFM, within the meaning of article 4.1(a) of the 2013 Law, is BlueOrchard Asset Management (Luxembourg) S.A., a public limited company, with registered office at 1, rue Goethe, L-1637 Luxembourg (the **External AIFM**).

The External AIFM is registered with the Luxembourg trade and companies register ("*Registre du Commerce et des Sociétés*") under the number B170191 where its articles have been deposited and are available for inspection and where copies thereof may be obtained upon request at applicable cost.

The External AIFM is authorised in Luxembourg as an AIFM under the 2013 Law. The External AIFM may, and reserves the right to, market the Company's Shares to Professional Investors in Luxembourg. Furthermore, in accordance with article 30 of the 2013 Law, the External AIFM may apply with the CSSF for the authorisation to market the Company's Shares to Professional Investors in any other EEA Member State. The External AIFM intends to make

use of this right and prospective investors from any other EEA Member State than Luxembourg should enquire as to whether the Company is authorised for marketing to Professional Investors in their jurisdiction. A list of the EEA Member States in which the Company's Shares may be marketed to Professional Investors is available upon request from the External AIFM.

The External AIFM may also be authorised to market the Company's Shares to Retail Investors in EEA Member States or in other states allowing AIFs to be marketed to Retail Investors in their territory, subject to applicable local requirements and, in particular, local private placement rules. Prospective investors from any EEA Member States or other states who are Retail Investors should inform themselves as to the legal requirements applicable to the subscription or purchase of Company's Shares by Retail Investors in their jurisdiction.

A key investor information document (KIID) established for the purpose of marketing the Shares to retail investors complying with the provisions of the 2010 Law is made available by the External AIFM to all retail investors contemplating an investment in the Company. The KIID may be obtained on the External AIFM's website www.blueorchard.com or in paper form from the External AIFM upon request.

Germany - In the Federal Republic of Germany, the Shares of the Company are only marketed to investors who qualify as professional investors or semi-professional investors. Thus, Shares of the Company must not be marketed or sold to private investors in Germany.

The following documents or information are available upon request from investors prior to their investment in the Company:

- the latest annual report and report of the Company;
- the Liquidity Management Policy and Valuation Policy;
- the latest Net Asset Value of the relevant Class of Shares within the relevant Sub-Fund; and
- the historical performance of the Company (or the relevant Sub-Fund).

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

The distribution of the Prospectus is not authorised unless it is accompanied by the most recent annual and semi-annual reports of the Company, if any, and any other information required under article 23.1 to 23.3 of the AIFM Directive. Such information is deemed to be an integral part of the Prospectus.

USA - The Shares have not been registered under the United States Securities Act of 1933 as amended (the **Securities Act**) nor has the Company been registered under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**). Consequently, Shares may not be publicly offered or sold in the United States of America or in any of its territories subject to its jurisdiction and may not be offered to or for the benefit of, or purchased by, U.S. Persons (as defined in Article 10 of the Articles).

Accordingly, the Shares offered hereby are being offered and sold only (i) to persons that are not U.S. Persons; and (ii) to persons that are (a) “accredited investors” (as defined in Rule 501 of Regulation D under the Securities Act) and (b) either (x) “qualified purchasers” (within the meaning of Section 2(a)(51) of the Investment Company Act) or (y) “knowledgeable employees” (as defined in Rule 3c-5 under the Investment Company Act).

The Company anticipates that each of the External AIFM and BOF, in each case with respect to the Company, is exempt from registration as a “commodity pool operator” with the United States Commodity Futures Trading Commission (CFTC) pursuant to the exemption under CFTC Rule 4.13(a)(3), which exemption may be granted with respect to pools whose participants satisfy certain investor sophistication standards and which trade commodity interests in de minimis amounts. Accordingly, an offering memorandum for the Company is not required to be, and has not been, filed with the CFTC. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this Prospectus or any offering memorandum for any pool in relation to the Company. None of the External AIFM, BOF or any delegate is required to deliver to investors a disclosure document or certified annual reports that are otherwise required to be delivered pursuant to the United States Commodity Exchange Act of 1936, as amended, which would contain certain disclosures required thereby that may not be included herein or in the reports provided to investors by the Company.

None of the External AIFM, BOF or any delegate will register with the CFTC as a commodity trading adviser with respect to the Company pursuant to an exemption.

Applicants may be required to declare that they are not U.S. Persons and are not applying for Shares on behalf of any U.S. Person. The Shares may not be offered, sold or transferred nor may they benefit, directly or indirectly to US entities or US resident individuals as such terms are defined in the US Hiring Incentives to Restore Employment Act of March 2010 and regulations generally known as FATCA. Non US-financial institutions which do not participate to the FATCA program or to any similar program established in such countries having signed an agreement with the US, are at risk of a redemption of their Shares upon the entry into force of the FATCA program.

Although Shares are freely transferable, the Articles give powers to the Board of Directors to impose such restrictions as it may think necessary 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 Board of Directors might result in the Company incurring any liability or taxation or suffering any other disadvantage which the Company may not otherwise have incurred or suffered and, in particular, by any U.S. Person as referred to above.

Under such powers, the Company may compulsorily redeem all Shares held by any such person on the terms provided in the Articles and may restrict the exercise of rights attached to such Shares.

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

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

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

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

No person is authorised to give any information or to make any representations other than those contained in the Prospectus and in the documents referred to therein.

Exchange of information for tax purposes

The Company may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg law of 18 December 2015 concerning the Common Reporting Standard (each an **AEOI Law** and collectively the **AEOI Laws**). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Shares (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the applicable Luxembourg legislation and related international agreements.

Each Shareholder and prospective investor agrees to provide, upon request by the Company (or its delegates), any such information, documents and certificates as may be required for the purposes of the Company's identification and reporting obligations under any AEOI Law. Each Shareholder undertakes to inform the Company (or its delegates) within 30 days of any change of circumstances that may cause such information, documents or certificates to be incomplete or incorrect. The Company reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Company (or its delegates) has reason to believe that the information, documents or certificates provided to the Company

(or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Company (or its delegates), sufficient information to cure the situation. Prospective investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Company nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Company (or its delegates). Any Shareholder failing to comply with the Company's information requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder's failure to provide complete and accurate information.

Each Shareholder and prospective investor acknowledges and agrees that the Company will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

On 25 June 2018, EU Directive 2018/822 (**DAC6**) entered into force, amending the Directive on administrative cooperation in the field of taxation. DAC6 introduces a mandatory disclosure regime for intermediaries applicable from 1 July 2020 regarding potentially aggressive tax planning arrangements and subsequent automatic exchange of the disclosed information between EU Member States. DAC6 was implemented into Luxembourg legislation by a law dated 25 March 2020.

DAC 6 lists a series of characteristics or features that indicate a potential risk of tax avoidance ("hallmark"). DAC6 imposes an obligation on "intermediaries" located in the EU such as tax advisors, accountants, lawyers, banks and financial advisors who are involved in the design, marketing or the implementation of arrangements that include one of the hallmarks to file a report on the relevant transaction with their local tax authorities. If the intermediary is located outside the EU or is bound by legal professional privilege, the obligation to report passes to other intermediaries or the relevant taxpayer. If the transactions contemplated by this Prospectus fall within the scope of DAC6 any person that constitutes an intermediary for these purposes may have to report the transactions to their local tax authorities.

2. NOTE TO READERS

The attention of the reader is drawn to the fact that this Prospectus is composed of two parts.

Part 1 of this Prospectus describes the nature of Company, presents its general terms and conditions and sets out its management and investment parameters which apply to the Company as well as to the different Sub-Funds that compose the Company.

The Appendices contain information relating to each of the Sub-Funds in operation. The investment policy of each Sub-Fund, as well as its specific features, is described in the relevant Appendix. Appendices form an integral part of this Prospectus; Appendices will, subject to CSSF approval, be updated, supplemented or added with the creation of each new Sub-Fund.

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4. DIRECTORY**Board of Directors:****Chairman:**

Frédéric Berney
Non Executive Director
BlueOrchard Finance Ltd
Seefeldstrasse 233
CH-8008 Zurich
Switzerland

Members:

Elisabeth Sherk
Independent Consultant
Linnaeusparkweg 124-2,
1098EK Amsterdam,
Netherlands

Maxime Blanquet du Chayla
Independent Director
23, rue Balzac
F-75008 Paris
France

Michel Vareika
Independent Director
8, rue Killebiërg
L-5762 Luxembourg
Grand Duchy of Luxembourg

Registered Office:

2, rue d'Alsace
L-1122 Luxembourg
Grand Duchy of Luxembourg

External AIFM:

BlueOrchard Asset Management (Luxembourg) S.A.
1 rue Goethe
L-1637 Luxembourg
Grand Duchy of Luxembourg

Portfolio Manager:

BlueOrchard Finance Ltd
Seefeldstrasse 233
CH-8008 Zurich
Switzerland

Share Class Hedging:

Credit Suisse Asset Management
Kalandergrasse 4
CH-8045 Zurich
Switzerland

Depository and paying agent:	Banque de Luxembourg 14, boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
Administrative Agent:	European Fund Administration S.A. 2, rue d'Alsace L-1122 Luxembourg Grand Duchy of Luxembourg
Auditor:	PricewaterhouseCoopers 2, rue Gerhard Mercator L-2182 Luxembourg Grand Duchy of Luxembourg
Legal adviser:	Allen & Overy, <i>société en commandite simple</i> 5, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg

Information concerning the Company may be obtained from BlueOrchard Asset Management (Luxembourg) S.A.

5. DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the context otherwise requires:

“1915 Law”	The Luxembourg law dated 10 August 1915 on commercial companies, as amended or supplemented from time to time.
“2010 Law”	The Luxembourg law dated 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.
“2013 Law”	The Luxembourg law of 12 July 2013 implementing the AIFM Directive, as amended or supplemented from time to time.
“Accounting Year”	The financial period of the Company commencing on the first of July of each year and terminating on the thirtieth of June of the following year.
“Administrative Agent”	European Fund Administration S.A., in its capacity as administrative agent, domiciliary agent and registrar and transfer agent of the Company.
“AIF”	An alternative investment fund within the meaning of the AIFM Directive.
“AIFM”	An alternative investment fund manager within the meaning of the AIFM Directive.
“AIFM Directive”	Directive 2011/61/EU on Alternative Investment Fund Managers.
“AIFMD-CDR”	The Commission Delegated Regulation 231/2013 of 19 December 2012 supplementing the AIFM Directive with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.
“AIFM Rules”	The AIFM Directive, the AIFMD-CDR, the 2013 Law as well as any implementing measures of the AIFM Directive and the 2013 Law, to the extent applicable.
“Alternative Currency”	The currency of a Class in which the Net Asset Value of such Class is calculated, which is different than the Reference Currency as stipulated in the relevant Special Section. Currencies used as Alternative Currencies may be EUR, , CHF, GBP, SEK, NOK, CAD, AUD, JPY, HKD and SGD.

“Appendix” or “Appendices”	Any appendix of the Prospectus specifying the terms and conditions of a specific Sub-Fund.
“Articles”	The articles of incorporation of the Company, as may be amended from time to time.
“AUD” or “Australian dollar”	The legal currency of Australia and its dependent territories.
“Auditor”	PricewaterhouseCoopers.
“Board of Directors”	The board of directors of the Company.
“Business Day”	A day on which banks are generally open for business in Luxembourg during the whole day (excluding Saturdays and Sundays and public holidays).
“BlueOrchard Group”	BlueOrchard Asset Management (Luxembourg) S.A. as well as any of its affiliates.
“BOF”	BlueOrchard Finance Ltd
“CAD” or “Canadian dollar” or “CA\$”	The legal currency of Canada
“Credit Suisse”	Credit Suisse Asset Management, Switzerland
“CHF”	The Swiss Franc, the legal currency of Switzerland.
“Class”	Any class of Shares issued by any Sub-Fund which such features as outlined in the relevant Appendices.
“Company”	BlueOrchard Microfinance Fund, a <i>société anonyme</i> incorporated under the laws of Luxembourg, qualifying as a <i>société d’investissement à capital variable</i> governed by Part II of the 2010 Law.
“CSSF”	The <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg Supervisory Authority over the Financial Sector.
“Depositary”	Banque de Luxembourg, in its capacity as depositary and paying agent of the Company.
“EU”	The European Union.
“Euro” or “EUR” or “€”	The legal currency of the participating Member States to the European monetary union.
“ESG”	Environmental, social and governance.

“External AIFM”	BlueOrchard Asset Management (Luxembourg) S.A.
“GBP” or “British Pound Sterling” or “£”	The legal currency of the United Kingdom and its dependent territories.
“HKD” or “Hong Kong dollar” or “HK\$”	The legal currency of Hong Kong.
“Investee”	An MFI or a company, fund or organisation generating social and/or environmental impact.
“Investment Guidelines”	In respect of each Sub-Fund, the investment policy of such Sub-Fund and the investment restrictions of such Sub-Fund as set out in the Prospectus and the additional investment guidelines as may be determined by the Board of Directors from time to time, if any.
“JPY” or “Japanese yen” or “¥”	The legal currency of Japan.
“Leverage”	Any method by which the exposure of the Company or a Sub-Fund is increased through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.
“Liquidity Management Policy”	The liquidity management policy established by the External AIFM in accordance with the AIFM Rules with a view to monitor the liquidity risk of the Company and its Sub-Funds and to ensure that the liquidity profiles of the Sub-Funds’ investments are in line with their underlying obligations, as may be amended from time to time by the External AIFM.
“Luxembourg Official Gazette”	the <i>Mémorial C, Recueil des Sociétés et Associations</i> or the <i>Recueil électronique des sociétés et associations (“RESA”)</i>
“Member State”	Any member state of the EU i.e. a state that is party to treaties of the EU.
“MFI”	Microfinance Institution.
“Net Asset Value” or “NAV”	The net asset value of the Company, each Sub-Fund, each Class and each Share as determined pursuant to the section 14 “Determination of the Net Asset Value” of Part 1.
“NOK” or “Norwegian krone”	The legal currency of Norway and its dependent territories.
“OECD”	Organisation for Economic Cooperation and Development.

“Part 1”	means the general part of the Prospectus that sets out the general terms and conditions applicable to all Sub-Funds of the Company, unless otherwise provided in any of the Appendices.
“Portfolio Manager”	BlueOrchard Finance Ltd.
“Professional Investors”	Investors who qualify as professional investors under Directive 2004/39/EC, as such directive may be amended or replaced from time to time.
“Prospectus”	This prospectus and Appendices, as amended from time to time.
“Redemption Price”	The price at which Shares of the Company will be redeemed, as more fully described under Part 1, section 13.
“Reference Currency”	US Dollar (USD) for the Company; the currency in which each Sub-Fund or Class is denominated, as further specified in the relevant Appendix.
“Regulated Market”	A market functioning regularly, which is regulated, recognized and open to the public, as defined in Directive 2004/39/EC on markets in financial instruments as amended.
“Retail Investors”	an investor who is not a Professional Investor.
“Risk Management Policy”	The risk management policy established by the External AIFM in accordance with the AIFM Rules setting out the risk management systems that are implemented by the External AIFM in order to identify, measure, manage and monitor appropriately all risks relevant to the Company and the Shareholders.
“SEK” or “Swedish Krona”	The legal currency of Sweden.
“SGD” or “Singapore dollar” or “S\$”	The legal currency of Singapore.
“SFDR”	means EU Regulation 2019/2088 the Sustainable Finance Disclosure Regulation of 2019
“SFDR Annex”	means the attached annex to this Prospectus which outlines the Company’s alignment with Article 9 of SFDR and provides additional information on the Company’s sustainability assessment and monitoring framework.

“SFT”	means (i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; (iv) a margin lending transaction as defined under the SFTR.
“SFTR”	means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
“Share” or “Shares”	Shares issued in any Sub-Funds and/or Classes pursuant to this Prospectus.
“Shareholder”	A holder of a Share of the Company.
“SPV”	Means special purpose vehicle.
“Sub-Fund” or “Sub-Funds”	Any sub-fund of the Company established in accordance with this Prospectus and the Articles and as further described in the relevant Appendix.
“Subscription Agreement”	The subscription agreement entered into between the Company and its investors.
“Subscription Price”	The price at which Shares in any Sub-Fund or Class will be issued as more fully described under Part 1, section 13.
“Total Assets”	The total assets (including borrowings) of the relevant Sub-Fund.
“TRS”	means total return swap, ie, a derivative contract as defined in point (7) of article 2 of the SFTR in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.
“UCI”	An undertaking for collective investment.
“US Dollars” or “USD” or “\$”	The legal currency of the United States of America.
“Valuation Day”	Such Business Day being the day by reference to which the assets of the relevant Sub-Funds shall be valued in accordance with the Articles and on which Shares may be subscribed, converted and redeemed, as more fully described for each Sub-Fund individually in the relevant Appendix.

“Valuation Policy”

The valuation policy established by the External AIFM in accordance with the AIFM Rules with a view to ensure a sound, transparent, comprehensive and appropriately documented valuation process of the Company's portfolio, as may be amended from time to time by the External AIFM.

“Voting Policy”

The voting policy established by the External AIFM in accordance with the AIFM Rules with a view to determine when and how any voting rights attached to instruments held in the Company's portfolio are to be exercised, to the exclusive benefit of the Company and the Shareholders. Subject to the terms of the Voting Policy, the External AIFM will generally refrain from exercising any voting rights attached to the securities it holds, unless refraining from exercising such rights may, in reasonable opinion of the External AIFM, not be in the best interests of the Company or the Shareholders.

“Weighted Average Life”

Weighted average life (WAL) is the average number of months/years for which each dollar of unpaid principal remains outstanding for the entire portfolio of the relevant Sub-Fund.

6. STRUCTURE OF THE COMPANY

6.1 General Information

The Company was initially incorporated on 18 September 1998, as a *société anonyme* qualifying as a *société d'investissement à capital variable*. By decision of the general meeting of Shareholders dated 31 July 2012, the Company has changed its denomination into "BlueOrchard Microfinance Fund". The Company is governed by part II of the 2010 Law.

The Company is created for an unlimited period of time and may be dissolved at any time by the general meeting of Shareholders.

The Company is incorporated as a Luxembourg public limited liability company (*société anonyme*). The Shareholders' liability is limited to the amount of their investment in the Company.

The Company is registered with the Luxembourg trade and companies register ("*Registre du Commerce et des Sociétés*") under the number B 66258. The Articles have been deposited with the Luxembourg Official Gazette and are available for inspection and where copies thereof may be obtained upon request at applicable cost.

The Articles were initially published in the Luxembourg Official Gazette of 26 October 1998 and amended for the last time on 31 July 2012 and published in the Luxembourg Official Gazette of 24 August 2012.

The Company is an AIF within the meaning of the AIFM Directive and the 2013 Law, and the External AIFM acts as the Company's external AIFM, as further set out in section 10.2 below.

The Company is the only entity affiliated to the External AIFM, the Company and the Depositary.

For out-of court complaints, please contact the Complaints Officer of the External AIFM (1, rue Goethe, L-1637 Luxembourg or at complaints@blueorchard.com).

6.2 Shareholders liability - Applicable Law - Jurisdiction

Any claim arising between the Company, the External AIFM, the Shareholders, the Depositary and the Administrative Agent will be settled according to Luxembourg Law and subject to the jurisdiction of the Court of the District of Luxembourg-City, provided that the Company, the External AIFM, the Depositary and the Administrative Agent may subject themselves and the Company to the jurisdiction of courts of the countries in which the Shares are offered or sold, with respect to claims by Shareholders resident in such countries and, with respect to matters relating to subscriptions and redemptions by Shareholders resident in such countries, to the laws of such countries.

Shareholders of the Company will make a contractually binding subscription to the Company in respect of a Sub-Fund by the execution and delivery of the Subscription Agreement. The rights and obligations of the Shareholders are set out in this Prospectus, the Articles and the relevant Subscription Agreement as well as the laws of the Grand Duchy of Luxembourg. Shareholders will not acquire any direct legal interest in investments made by the Company

or any Sub-Fund. As Member State of the European Union, the Grand Duchy of Luxembourg applies Council Regulation (EU) No 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), as may be amended, supplemented or replaced from time to time. Luxembourg also adheres to other treaties and conventions on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and, in the absence of an EU regulation, a treaty or a convention, Luxembourg courts can, under certain conditions grant exequatur (enforcement) to a foreign judgment in Luxembourg.

6.3 Umbrella structure

The Company is an umbrella fund and as such provides investors with the choice of investment in a range of several separate Sub-Funds, each of which relates to a separate portfolio of assets as permitted by the 2010 Law with specific investment objectives, as described in the relevant Appendix.

Each Sub-Fund is treated as a separate entity and operates independently and as between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. The net proceeds from the subscriptions to each Sub-Fund are invested in the specific portfolio of assets constituting such Sub-Fund and a purchase of Shares with respect to a Sub-Fund does not give the holder of such Shares any rights with respect to any other Sub-Fund.

Pursuant to the 2010 Law, a multiple compartment investment company constitutes a single legal entity, however, with regard to third parties, each Sub-Fund is exclusively responsible for all the liabilities attributable to it.

The Company is an open-ended collective investment scheme with variable capital. Shareholders should however refer to Part 1, section 13.4 "Redemption of Shares" in which the conditions that apply to their rights to redeem their Shares are set out.

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

6.4 Sub-Funds and Classes of Shares

At the date of this Prospectus, the Company is offering Shares for subscription in those Sub-Funds as further described individually in the relevant Appendix. If further Sub-Funds are created, the Prospectus will be updated accordingly.

All Sub-Funds may offer more than one Share Class the details, rights, issue and redemption terms of which are set out for each Sub-Fund in the relevant Appendix.

Each Share of whatever Class is entitled to one vote at every general meeting of Shareholders or at a separate meeting of Shareholders of the relevant Sub-Fund or Class

6.5 Minimum Investment and Holding

The minimum initial and subsequent investments as well as the minimum holding requirements, if any, are set out for each Sub-Fund in the relevant Appendix.

7. INVESTMENT OBJECTIVE AND POLICY

7.1 Investment Objective of the Company

The specific investment objective of each Sub-Fund is provided in the relevant Appendix.

7.2 Compliance breaches

1. If the Investment Guidelines are breached by reason other than an acquisition or purchase of an investment (including, for the avoidance of doubt, if the Investment Guidelines are breached due to an increase or decrease of the value of the relevant investment) (a **Passive Breach**), the External AIFM or its delegate (e.g. the Portfolio Manager) will seek to remedy or procure the remediation of the Passive Breach, but will only do so if it reasonably considers it to be in the best interests of the investors. In addition, the External AIFM or its delegate (e.g. the Portfolio Manager) will not commit to any new investments that may aggravate the Passive Breach. The Investment Guidelines will not be considered as being actively breached as a result of investments being disposed of during the liquidation phase.
2. In the event that, in the opinion of the External AIFM or its delegate (e.g. the Portfolio Manager), the Investment Guidelines are breached as a result of a transaction or multiple transactions initiated by the External AIFM or its delegate (e.g. the Portfolio Manager) (**Active Breaches**), the External AIFM or the relevant delegate as applicable will follow the procedure as described in the CSSF Circular 02/77 (**Circular 02/77**). More specifically, the External AIFM or the relevant delegate as applicable will determine, in its sole discretion, if, in accordance with the Circular 02/77, compensation payments will be effected in favour of the Company and/or the investors. Any such compensation payments will be borne by the External AIFM or, as applicable, the relevant delegate.

8. Social performance and ESG factors

Social performance and ESG criteria are non-financial considerations integrated in the investment process of the Company.

The Company is formed for the purpose of making sustainable investments in emerging markets and contributes with its activities to various Sustainable Development Goals (“**SDG**”) over all three ESG criteria. The Company impact footprint can be mapped along the three levels of the impact value chain; namely, ESG, impact themes and SDGs. All criteria are analyzed through a methodology developed by the External AIFM including a BlueOrchard’s proprietary tool for social performance management.

8.1 Investee ESG Screening and Monitoring

As a core component of the Company’s objectives towards ensuring a sustainable investment portfolio and advancing the core principles of the SDGs, the principle of “do no harm” is applied and strictly enforced. Additional information on this subject can be found in the SFDR Annex hereto. In the context of the investment process, all potential investees of the Company undergo a thorough assessment with respect to their financial sustainability and social performance management. Such assessments are done through desk-top research, in-depth on-site due diligence visits and the application of in-house designed financial and social performance tools that provide internal ratings of prospective investees. Post-investment,

investees also provide monthly and quarterly data and are subject to periodic monitoring visits. The following ESG-related aspects, which are outlined in greater detail in the SFDR Annex, are included in the screening and monitoring:

- Relevant qualifications, experience, involvement and structure of governance
- KYC and AML;
- Potential positive impact of the investment on the community to which it is directed;
- Potential adverse consequences of the investment in respect of the Company's impact and sustainability related objectives;
- social performance management of the target company including but not limited to the reputation of the target company and its involvement in promoting the Company's values as a provider of sustainable investments.

8.2 Exclusion List:

The BlueOrchard investment process includes an exclusion list that identifies sectors that may not be engaged in, or financed by, investee companies such as but not limited to:

- production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, polychlorinated biphenyls (PCBs), wildlife or products regulated under CITES;
- production or trade in weapons and munitions;
- production or trade in alcoholic beverages (excluding beer and wine);
- production or trade in tobacco;
- gambling, casinos and equivalent enterprises;
- commercial logging operations for use in primary tropical moist forest;
- production or trade in wood or other forestry products other than from sustainably managed forests.

8.3 Environmental Considerations

Environmental factors are evaluated as part of BlueOrchard's social performance assessment. The Social Performance assessment tool and Exclusion List are described above.

8.4 Human Resources

BlueOrchard ensures that investees abide with local laws and the Exclusion List detailed above expressly prohibits engaging in or financing of companies that support forced or child labor. Furthermore the in-house Social Performance assessment tool evaluates all investees human resources practices.

9. RISK CONSIDERATIONS

9.1 General

An investment in a Sub-Fund involves certain risks relating to the particular Sub-Fund's structure and investment objectives which investors should evaluate before making a decision to invest in such Sub-Fund.

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

Investors should make their own independent assessment of the financial, market, political, legal, regulatory, credit, tax and accounting risks and consequences involved in investment in a Sub-Fund and its suitability for their own purposes. In evaluating the merits and suitability of an investment in a Sub-Fund, careful consideration should be given to all of the risks attached to investing in a Sub-Fund.

The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Prospectus. The following however, does not purport to be a comprehensive summary of all the risks associated with investments in any Sub-Fund.

An investment in Shares in a Sub-Fund carries substantial risk and is suitable only for investors who accept the risks, can assume the risk of losing their entire investment and who understand that there is no recourse other than to the assets of the relevant Sub-Fund.

Liquidity risk: The Company invests in illiquid instruments. Illiquidity increases the risks and can make it very difficult to close positions, so that there is no assurance that the Company will meet the redemption applications at the exact time they are submitted.

Any lack of liquidity of the portfolio may have an impact on the liquidity of the shares of the Company and the value of its investments. For this reason, the processing of redemption applications may be deferred in exceptional circumstances, including if there is a lack of liquidity, which may make it difficult to determine the Net Asset Value of the Company's Shares and consequently result in the suspension of the issue and redemption of the Shares.

Governments, their regulatory agencies or self-regulatory organisations may take actions that affect the regulation of the Company's investments, instruments or products in which the Company invests, or the issuers of such instruments or structured products, in ways that are unforeseeable. Borrowers under secured loans held by the Company may seek protection under the bankruptcy laws. Legislation or regulation may also change the way in which the Company itself is regulated. Such legislation or regulation could limit or preclude the Company's ability to achieve its investment objective and investment strategy. The Board of Directors and the External AIFM will monitor developments and seek to manage the relevant Sub-Fund's portfolio in a manner consistent with achieving the relevant Sub-Fund's investment objective and investment strategy, but there can be no assurance that they will be successful in doing so.

Furthermore, the delay or denial of official authorization that may be required for the repatriation of capital, or other restrictions applicable to a Sub-Fund's investments, can adversely affect the value of the Sub-Fund portfolio. The liquidity of investments in countries where such factors affect the portfolio may suffer as a result. The limited liquidity of certain markets must be taken into account when evaluating investments; this may impair a Sub-Fund's ability to realize investments in order to meet redemption requests at the desired price and time. Transaction costs, including broker's fees, may also be higher than in industrialized countries.

Investors should also refer to the risks related to investments in private, illiquid companies and to minority positions under section 9.3 below.

Finally, the liquidity of an investment in the Company is limited. Investors may therefore apply for the redemption of their Shares as defined under section 13.4 “Redemption of Shares”.

Notice of Redemptions Required: A Shareholder must give prior written notice of his/her request to make a partial or total redemption of its Shares. During such notice period, the Shareholder’s investment remains at risk and may decrease in value from the date that notice of redemption is first given to the Company until the effective date of redemption.

Early termination: In the event of the early termination of a Sub-Fund, the Company would have to distribute to the Shareholders their pro-rata interest in the assets of the relevant Sub-Fund. The relevant Sub-Fund’s investments would have to be sold by the Company or distributed to the Shareholders. It is possible that at the time of such sale or redemption certain investments held by the relevant Sub-Fund may be worth less than the initial cost of the investment, resulting in a loss to the relevant Sub-Fund and to its Shareholders. Moreover, in the event the relevant Sub-Fund terminates prior to the complete amortization of organizational expenses, any unamortized portion of such expenses will be accelerated and will be debited from (and thereby reduce) amounts otherwise available for distribution to Shareholders.

Changes in applicable law: The Company must comply with various regulatory and legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Company, the regulatory and legal requirements to which the Company and its Shareholders may be subject could differ materially from current requirements.

Market risk: This risk is of a general nature, affecting all types of investment. The trend in the prices of transferable securities is determined mainly by the trend in the financial markets and by the economic development of the issuers, who are themselves affected both by the overall situation of the global economy and by the economic and political conditions prevailing in each country.

Credit risk: Shareholders must be fully aware that such an investment may involve credit risks. Loans, bonds or other debt instruments involve an issuer-related credit risk. When the issuer of loans, bonds or debt instruments finds itself in financial or economic difficulty, the value of such debt instruments (which may fall to zero) and the payments made for these debt instruments (which may fall to zero) may be affected.

Risk of default: In parallel to the general trends prevailing on the financial markets, the particular changes in the circumstances of each issuer may have an effect on the price of an investment.

Counterparty risk: When contracts on OTC Derivative are entered into, the Company may find itself exposed to risks arising from the creditworthiness of its counterparties and from their capacity to respect the conditions of these contracts. The Company may thus enter into futures, option and exchange rate contracts, or use other derivative techniques, each of which involves a risk for the Company of the counterparty failing to respect its obligations under the terms of each contract.

Foreign exchange/Currency risk: The Company may invest in assets denominated in a wide range of currencies. The Net Asset Value expressed in its respective Reference Currency will fluctuate in accordance with the changes in foreign exchange rate between the Reference Currency of the relevant Sub-Fund or Class and the currencies in which the relevant Sub-Fund's investments are denominated.

External factors and taxation: An investment in the Sub-Fund involves a number of complex external factors and tax considerations. Changes in tax legislation in any of the countries in which the Sub-Fund will have investments, or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to its investors. No assurance can be given on the actual level of taxation suffered by the Company, its investments and the investors. Investors should consult their own tax advisors on the tax implications for them of investing, holding and disposing of Shares and receiving returns in respect of Shares in the Sub-Fund.

Potential Conflicts of Interests: The Board of Directors, the External AIFM, the Portfolio Manager, the Depositary and Administrative Agent, together with their subsidiaries, administrators, directors or shareholders (for the purpose of this paragraph, each a **Party** and collectively the **Parties**) are, or may be, involved in other professional and financial activities that are likely to create a conflict of interest with the management and administration of the Company. This includes the management of other funds, the purchase and sale of securities, brokerage service, custody of securities and the fact of acting as a member of a management or supervisory board, director, consultant or representative with power of attorney of other funds or companies. Each Party shall respectively make the necessary arrangements to ensure that the execution of his obligations *vis-à-vis* the Company is not compromised by such involvements. In the event of a proven conflict of interest and subject to Part 1, section 25 "Conflict of Interest" below, the Party(ies) concerned undertake(s) to resolve this in an equitable manner within a reasonable period of time and in the interests of the Shareholders.

Political and other macro risks: The Company's investments can be adversely affected by political, economic and diplomatic changes. Also, individual countries in which the Company is active may experience one or more natural or man-made disasters such as floods, hurricane, drought, health epidemic, war, terrorist attack, or civil unrest. Such events, even with an efficient and adequate response, may have a materially adverse effect on the Company's portfolio and or operations in the affected country.

Reliance on management: The Company depends significantly on the efforts and abilities of the members of the Board of Directors, the External AIFM and the Portfolio Manager. The loss of these persons' services could have a materially adverse effect on the Company and/or the relevant Sub-Fund.

Diverse investor group: The Shareholders may have conflicting investment, tax, and other interests with respect to their investments in the Company. The conflicting interests of Shareholders may relate to or arise from, among other matters, the acquisition or structuring of investments and the timing and disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the External AIFM, the Portfolio Manager that may be more beneficial for one investor than for another investor, for example, with respect to Shareholders' individual tax situations. In selecting and structuring investments appropriate for the Company, the External AIFM, the Portfolio Manager will

consider the investment and tax objectives of the Company and the Shareholders as a group, not the investment, tax or other objectives of any Shareholder individually.

Co-investment opportunities: From time to time, in the discretion of the External AIFM, third parties and certain Shareholders may be presented with opportunities to co-invest in investments alongside the Company. The External AIFM is entitled at its entire discretion to limit the percentage of co-investments by such third parties and Shareholders, on a case by case basis, with a view to moderate divergences between investors or situations of conflict of interests. Potential conflicts may be inherent in, or arise from, the External AIFM discretion in determining when to make such opportunities available. In addition, once such co-investment opportunities are consummated, the Company's interests and those of co-investors may subsequently diverge as market conditions shift or other opportunities become available. Furthermore, certain co-investors may receive first priority or preferential access in deciding whether to commit capital to co-investment opportunities.

Competition: The Company may be competing for investments against other groups. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which investments can be made.

No participation in investment decisions: The Board of Directors and the External AIFM, the Portfolio Manager will be solely responsible for the management, control and investment strategy of the Company and will have the discretion to select those investments in which to invest the Company's assets. Consequently, prospective investors will not be able to evaluate for themselves the merits of particular investments prior to or after the investor's subscription for Shares or prior to or after any Sub-Fund's investment, nor will Shareholders be entitled to participate in any manner in the decisions regarding financing or divestiture of such investments.

Liabilities upon Disposition: In connection with the disposition of a Sub-Fund investment, a Sub-Fund may be required to make representations about the business and financial affairs of such Sub-Fund investment typical of those made in connection with the sale of any business or be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such Sub-Fund investment or underwriters to the extent that any such representations or disclosure document turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Shareholders to the extent that the Shareholders have received prior distributions from such Sub-Fund.

Tax considerations: Tax charges and withholding taxes in various jurisdictions in which the Company will invest will affect the level of distributions made to it and accordingly to investors. No assurance can be given as to the level of taxation suffered by the Company or its investments.

Taxation of Shareholders: Each investor will assume and be solely responsible for all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges, that may be applicable to any payment to it in respect of its shares. The Company expects that the payment of dividends in respect of the shares will ordinarily not be subject to any withholding tax in Luxembourg.

Potential Compulsory Redemption: The Company may, in its discretion, require a Shareholder to redeem all or any of its Shares, as described herein. Such mandatory redemption could result in adverse tax and/or economic consequences to such Shareholder.

Leverage: The Company may employ directly or indirectly leverage in connection with its investments and operations. However, there can be no assurance that the investments will be able to obtain the necessary debt financing. The use of leverage involves financial risk and will increase the exposure of the Company's investment returns to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the Company's investments. There is a risk that available funds will be insufficient to meet required debt servicing payments and a risk that it will be not possible to refinance existing indebtedness, or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness.

Limited collateral or other security: The Company's investments comprised of debt investments may or may not be ranked equally in right of payment with all other unsecured debt of the investment target and will most likely not be backed by any collateral, liens on assets or other guarantees or security. Further, in some jurisdictions unsecured indebtedness resulting from tax, labor or other similar claims have priority under law and this priority cannot be overcome. In some cases such investments may consist of subordinated notes issued by the investment targets which will specifically be ranked junior in the order of repayment among the liabilities of the investment target.

Swap counterparty risk: The Company may engage in cross currency or interest rate swaps with international banks for the purpose of reducing currency or interest rate risks in its asset and liability structure or to reduce the overall risk of its investments. However, there is no assurance that such a swap counterparty, notwithstanding a requirement for a high grade credit rating, will not default on or otherwise fail to make the payment obligations to the Company. In addition, should the Company fail to make scheduled payments to the swap counterparty, such counterparty would omit corresponding payments due to the Company, may terminate the swap and may add payment obligations due to it from the Company to compensate the counterparty for losses due to the cancellation of the contract or otherwise stemming from the failure of the Company to make scheduled payments. In the event that any of the parties involved in a swap transaction, including the Company, fail to perform their obligations under the respective agreements to which they are a party, investors may be adversely affected.

Concentration risk: The Sub-Fund will seek to create a concentrated portfolio of debt instruments and other financing instruments that are diversified by sub-sector, geographic location, type of investment, stage of development, etc. in order to achieve a high level of risk diversification. However, subject to the investment restrictions, investment may be weighted to certain indication and in certain geographic markets and there can be no guarantees as to the diversification of the assets of the Sub-Fund. Events that impact the Sub-Fund in general, a specific investment or a specific region may have an impact on the performance of the Sub-Company.

US regulatory risks: Neither the Company nor any Sub-Fund are registered under the Investment Company Act and, as such, they do not comply with the rules applicable to funds so registered. Investors in a Sub-Fund should not expect the substantive protections of the Investment Company Act to apply. Neither the External AIFM, nor BOF are registered as investment advisers under the Investment Advisers Act of 1940, as amended, and investors

should not therefore expect many of the substantive rules of that Act to apply. None of the External AIFM, BOF or any delegate is registered with the CFTC as a commodity pool operator or commodity trading adviser with respect to the Company.

ESG Investment risk: The integration of ESG criteria within the investment process may affect the performance of the Company. Not meeting the Company's ESG criteria may lead to an interruption of lending or refinancing activities.

Sustainability risk: The Company's objective is to make sustainable impact investments in emerging markets however it is possible that the Company, in the course of its due diligence in respect of both financial and sustainability factors could fail to fully account for the potentially negative impacts and/or outcomes (in respect to the Company's portfolio, its reputation and the communities which it exists to serve) which may arise as a result of such an investment.

Attention should be drawn to the fact that the Net Asset Value per Share can go down as well as up. An investor may not get back the amount he/she has invested. Changes in exchange rates may also cause the Net Asset Value per Share in the investor's base currency to go up or down. No guarantee as to future performance of or future return from the Company can be given.

In addition to the above mentioned general risks which are inherent in all investments, the investment in the Company entails specific risks and is only appropriate for investors who can take the risk to lose the entire investment. The specific risks related to the investment in the Company are described below.

9.2 Risks related to Investees

Effect of social and environmental investment goals: The Company's objective is to carry out investments according to a social agenda. The Company's goal to address important social and ethical issues may prevent the Company from realizing a maximum return on the investments that are made. Both the Company's social and financial objectives will be considered when making investment and divestiture decisions.

Rapid Growth of Portfolio of Investees: Some Investees may have experienced in recent years, and may continue to experience, high rates of growth. These rates of growth often exceed the rates of growth of other entities providing financial services in the countries in which an Investee is located and in other developed and developing countries. There is no assurance that any Investees will have sufficient manpower, skill levels and/or financial resources to sustain such growth. This could adversely impact the ability of such Investee to carry out sufficient due diligence procedures on new investments, borrowers, monitor existing borrowers or make collections on micro-loans, which could have an adverse effect on such Investee and the Company.

Impact of Government Actions: Additional specific government actions in certain developing countries that could elevate the risk of the Investees located there include foreign investment controls and adverse changes in regulatory structures and anti-usury laws. Investees typically charge higher interest rates than commercial banks due to higher operating costs. Governments have in the past imposed anti-usury laws or usury ceilings on interest rates, and may do so in the future that could have a materially adverse effect on the Investees and/or the Company.

Legal Recourse: The Company may be subject to the jurisdiction of the authorities of the countries in which each Investee is located. The countries in which the Investees are located

may have less certain and/or developing regulatory environments, with the corresponding risks of potential changes in law, less certain administration of law and/or less certain enforceability of judgments.

Credit Risks of Micro-Loans: Microfinance involves the provision of credit to microentrepreneurs and microenterprises in developing countries, many of whom have incomes below the applicable poverty level and little or no previous credit history with commercial or other lenders. These micro-loans typically are not secured by any collateral or other type of traditional guarantee. There is no assurance that the micro-clients will be able to repay the micro-loans to the MFI, and as a consequence, the Company may be adversely affected.

Institutional Viability: Some of the Investees in which the Sub-Fund may invest may be in an early stage of formation or operation, which may pose a number of operational and other issues. For example, an early stage institution may require significant capacity building in order to ensure long-term viability and may also experience challenges from rapid growth, limited management depth and evolving governance structures. Additionally, the Investees may have limited sources of potential financing to meet operational and other demands. The Company may be adversely affected by the failure or insolvency of any of the Investees.

Degree of regulation: The degree of regulation in emerging countries may be less stringent than that in more developed countries. Also, companies in emerging countries may be subject to accounting, auditing and financial reporting standards, practices and disclosure requirements that are not comparable to those used in developed countries. Furthermore, in certain countries and for certain types of securities forming part of the portfolio, the validity of title may be challenged by third parties or by the relevant issuers due to the possible deficiencies arising from applicable laws and regulations.

Efficiency of settlement systems and liquidity issues: Settlement systems in emerging countries may be less well recognized than in developed countries. There may be a risk that settlement may be delayed and that securities of the Sub-Funds may be in jeopardy because of failures or of defects in the system. Market practice may even require that payment be made prior to receipt of the security, or that delivery of the security be made before payment is received. In such cases, default by the counterparty through whom the transaction is effected might result in a loss being suffered by the Sub-Funds. Also, securities in emerging countries securities can be substantially less liquid than securities in more developed countries. This may adversely affect the timing and pricing of the Sub-Funds' acquisitions and disposals of such securities. Furthermore, the Sub-Funds may hold investments in companies whose daily volumes of shares traded are low. This may also qualify the shares of such companies as less liquid.

Accounting Practices: While greatly improved in recent years, the accounting standards in some emerging economies sometimes may not correspond to international accounting standards or generally accepted accounting practices in all material respects. In addition, auditing requirements and standards may differ from those generally accepted in international capital markets and, consequently, information available to investors in developed capital markets may not always be obtainable in respect of Investees in emerging economies.

Criminality and Fraud: Crime, corruption and fraud as well as ties between government, agencies or officials and the private sector in certain emerging countries have resulted – and could in the future result – in preferential treatment, inefficient resource allocation, arbitrary decisions and other practices or policies that could have a material and adverse effect on Sub-Fund investments. Furthermore, diverse criminal groups may succeed in extorting protection

money from Investees or their partners. An Investee's management or staff may be bribed or otherwise pressured into defrauding their company.

Reliance on key persons: Investments may present major key person risk, meaning that their success is very much linked to the continued presence of the key entrepreneur in the company.

Access to information: Investments will sometimes have limited experience in external reporting on their performance and may not yet have been audited externally.

9.3 Risks related to investments in private, illiquid companies and to minority positions

Investment in Private Companies: The Company may invest in companies that are small unlisted companies, highly vulnerable to changes in markets and dependent on the skills and commitment of a small management team. Accordingly, no assurances can be given as to the success of the investment plan for such investments and the Company's ability to carry out such plan in the event the respective management is no longer employed by the portfolio company.

Illiquidity of shares in investee companies: The Sub-Funds may hold in exceptional circumstances investments in the capital of companies whose shares are either not publicly traded or have a low trading volume, representing a liquidity risk for the Sub-Funds and their shareholders. Furthermore, the Sub-Funds' portfolio will in such case be subject to the risks inherent in all development capital investment. Investment in unlisted companies is more speculative and involves a higher degree of risk than is normally associated with equity investment on established stock exchanges. No assurance can be given that the Sub-Funds' primary investment objective of capital appreciation will then be achieved.

Reduced control associated with minority positions: Minority positions investments in unquoted companies involve increased risk as minority investors have limited ability to protect their position in or influence the affairs of such companies.

9.4 Risks related to the portfolio valuation

Prospective investors should acknowledge that the portfolio of the Sub-Funds will be composed of assets of different natures in terms of inter alia sectors, geographies, financial statements formats, reference currencies, accounting principles, types and liquidity of securities, coherence and comprehensiveness of data.

As a result, the valuation of the portfolio and the production of the NAV calculation will be a complex process which might in certain circumstances require the Board of Directors or the External AIFM to make certain assumptions in order to produce the desired output.

The lack of an active public market for securities and debt instruments will make it more difficult and subjective to value investments of the Sub-Funds for the purposes of determining the NAV.

9.5 COVID-19

The recent emergence of coronavirus (named CO-VID 19 by the World Health Organisation) in 2020 and any outbreak, future outbreaks or measures taken by governments of countries in response to it and which are all beyond the control of the Company:

- poses a new risk to the Company's ability to obtain financing on terms acceptable to the Company or at all;
- could result in the increased volatility of financial markets globally, a negative impact on the economy and activities of the Company in Luxembourg and other jurisdictions and in a global economic recession;
- could seriously restrict the Company's activities or those of its investors, which may have a material and adverse effect on the value of the Company's investments which could fluctuate significantly as a result or may be significantly diminished in such an event;
- could result in restrictions on travel and public transport, prolonged closures or suspension of workplaces and the quarantine of employees, which may restrict the Company's operations in various ways in the affected regions;
- could materially and adversely affect overall investor sentiment due to sporadic volatility in global markets and possible material disruptions to the Company's activities, which in turn may materially and adversely affect the Company's returns from its Investments.

As at the date of this Prospectus, certain sectors of the Company's Investments and countries of operation are being significantly affected. There can be no assurance that any precautionary measures taken against such infectious diseases by governments or authorities in affected jurisdictions would be effective. The extent of the risk posed by COVID-19 in the future is therefore unclear; if the impact of the virus is severe or prolonged, and particularly if any current outbreak or future outbreaks are inadequately controlled; this could have a materially adverse effect on the returns and operations of the Company.

10. MANAGEMENT OF THE COMPANY

10.1 Board of Directors

The Board of Directors shall have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers assigned by law and the Articles to the general meeting of Shareholders.

The Board of Directors has been given power to administer and manage the Company and to decide on its objectives and the investment policy to be pursued by each Sub-Fund.

10.2 External AIFM

Pursuant to an alternative investment fund management agreement dated 8 May 2015 (the **AIFM Agreement**), the Company has appointed BlueOrchard Asset Management (Luxembourg) S.A. as external AIFM.

The External AIFM shall, in particular, be in charge of investment management services, including portfolio and risk management, administration, valuation and marketing, principal distribution and sales services. The External AIFM shall be authorised to delegate part of its functions, as further described in the Prospectus and subject to the AIFM Rules.

The External AIFM must have a share capital of at least one hundred and twenty-five thousand Euros (EUR125,000), plus an additional amount of own funds equal to 0.02% of the value of the managed AIFs' portfolios in excess of two hundred and fifty million (EUR250 million), with a cap at EUR10 million. In addition, in order to cover potential professional

liability risks resulting from the activities that the External AIFM may carry out pursuant to the AIFM Directive, the External AIFM will benefit from a professional liability insurance cover satisfying the requirement of article 15 of the AIFMD-CDR.

In consideration of the services rendered by the External AIFM, the latter is entitled to receive out of the assets of each Sub-Fund a management fee as further described for each Sub-Fund individually in the relevant Appendix. The External AIFM is also entitled to be reimbursed out of the assets of the Company for its reasonable out-of-pocket expenses and disbursements.

The AIFM Agreement may be terminated by either party thereto upon ninety (90) days prior notice.

BlueOrchard Asset Management (Luxembourg) S.A. is a public limited company (*société anonyme*), incorporated under the laws of Luxembourg on June 26, 2012, and which may act as an external AIFM governed by the 2013 Law, with the purpose of managing AIFs, in particular in favour of entities involved in microfinance investments and credit allocations. Its registered office is at 1, rue Goethe, L-1637 Luxembourg.

10.3 Portfolio Manager

The External AIFM has appointed BlueOrchard Finance Ltd. (**BOF**) to provide portfolio management services in relation to the Sub-Funds, as further set out in the portfolio management agreement between the External AIFM and BOF dated 29 April 2016. In such capacity, BOF will on a day-to-day basis and subject to the overall control and ultimate liability of the External AIFM, purchase and sell securities and otherwise manage the assets of the Company and the Sub-Funds' portfolios.

In consideration of the services rendered by BOF, BOF is entitled to receive from the External AIFM a remuneration of such amount as set out in the relevant Appendix. BOF is also entitled to be reimbursed out of the assets of the Company for its reasonable out-of-pocket expenses and disbursements.

10.4 Share Class hedging

Pursuant to a share class hedging agreement (the **Hedging Agreement**), the External AIFM has appointed Credit Suisse to provide services in relation to Share Class hedging transactions. In such capacity, Credit Suisse will be responsible for the hedging against the risk of exchange rate concerning all subscriptions for each Class of Shares, which are not denominated in the Reference Currency of a specific Sub-Fund.

In consideration of the services rendered by Credit Suisse, Credit Suisse is entitled to receive out of the assets of the relevant Sub-Fund a remuneration of such amount as set out in the relevant Appendix. Credit Suisse is also entitled to be reimbursed out of the assets of the Sub-Funds for its reasonable out-of-pocket expenses and disbursements.

11. DEPOSITARY, PAYING AGENT AND ADMINISTRATIVE AGENT

11.1 Depositary and paying agent

Banque de Luxembourg S.A. is acting as depositary of the Company in accordance with a depositary agreement dated 1 January 2017, as amended from time to time (the **Depositary and Paying Agent Agreement**) and with the relevant provisions of the 2013 Law.

Banque de Luxembourg is a credit institution incorporated as a public limited company (*société anonyme*) under the laws of Luxembourg and licensed to carry its activities under the terms of the amended Luxembourg law of 5 April 1993 relating to the financial sector, as amended.

In compliance with the provisions of the Depositary and Paying Agent Agreement and the 2013 Law, the Depositary may, under certain conditions, delegate part of its safekeeping obligations to third parties 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 permitted 2013 Law.

In compliance with the Depositary Agreement and pursuant to specific consent of the Board of Directors, the Depositary may be discharged of liability for loss of custodial assets if it can prove that:

- (i) all requirements for the delegation of its custody tasks set out in the Law of 12 July 2013 and the AIFM Rules are met;
- (ii) a written contract between the Depositary and the third-party expressly transfers the liability of the Depositary to that third-party and makes it possible for the Company to make a claim against the third-party in respect of the loss of custodial asset or for the Depositary to make such a claim on their behalf; and
- (iii) a written contract between the Depositary and the Company, expressly allows a discharge of the Depositary's liability and establishes the objective reason to contract such a discharge.

Further, where the law of a third country requires that certain custodial assets are held in custody by a local entity and there are no local entities that satisfy the delegation requirements laid down in 2013 Law and in the AIFM Rules, the Depositary can be discharged itself of liability provided that the following conditions are met:

- (i) the Shareholders of the Company have been duly informed of that discharge and of the circumstances justifying the discharge prior to their investment;
- (ii) the Company or the External AIFM instructed the Depositary to delegate the custody of such custodial assets to a local entity;
- (iii) there is a written contract between the Depositary and the Company or the External AIFM acting on behalf of the Company, which expressly allows such a discharge; and
- (iv) there is a written contract between the Depositary and the third-party that expressly transfers the liability of the Depositary to that local entity and makes it possible for the Company to make a claim against that local entity in respect of the loss of custodial assets or for the Depositary to make such a claim on their behalf.

The Company and the Depositary may contract from time to time arrangements for such discharge and transfer of liability. Details of such discharges and transfer of liability are available to Shareholders at the registered office of the Company.

The Depositary has no decision making discretion, or any advice duty relating to the Company's investments and is prohibited from meddling in the management of the Company's investments. The Depositary is a service provider to the Company and is not responsible for the content of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company.

Shareholders are invited to consult the Depositary and Paying Agent Agreement to have a better understanding and knowledge of the duties and liabilities (and of the limitations thereof) of the Depositary.

The Depositary and Paying Agent Agreement may be terminated by either party according to the terms and conditions as set out in the Depositary and Paying Agent Agreement.

The fees and costs of Banque de Luxembourg S.A. for its function as depositary bank and paying agent are met by the Company and are those generally charged in Luxembourg. The maximum level of (recurring and on-going) fees payable to the Depositary out of each Sub-Fund's assets is set out in the relevant Appendix.

11.2 Administrative agent and domiciliary agent

European Fund Administration S.A. is a public limited liability company (a *société anonyme*) incorporated under the laws of the Grand-Duchy of Luxembourg, having its registered office at 2 rue d'Alsace, L-1122 Luxembourg, Grand-Duchy of Luxembourg registered with the Luxembourg Register of Commerce and Companies under number B 56766 (hereinafter referred to as **EFA**).

The External AIFM, with the approval of the Company, has appointed EFA as delegated administrative agent and registrar and transfer agent (the **Administrative Agent**). In such capacity, EFA will be responsible for all administrative duties required by Luxembourg laws and among others for handling the processing of subscriptions of Shares, dealing with requests for redemptions and transfer of Shares, for the safekeeping of the register of Shareholders, for the bookkeeping, the maintenance of accounting records, the calculation of the NAV per Share as well as for the mailing of statements, reports, notice and other documents to the concerned Shareholders of the Company, in compliance with the provisions of, and as more fully described in, the relevant agreement mentioned hereinafter.

The rights and duties of EFA as administrative agent are governed by an administrative agent and registrar and transfer agent agreement entered into on 2 January 2017 (the **Administration Agreement**).

The Company has also appointed EFA as domiciliary agent of the Company (the **Domiciliary Agent**) pursuant to a domiciliary services agreement entered into on 2 January 2017 (the **Domiciliary Services Agreement**).

The fees and costs of the Administrative Agent and Domiciliary Agent for the above functions are met by the Company and are conform to common practice in Luxembourg. The maximum level of fees and costs payable out of the assets of each Sub-Fund to the Administrative Agent

(including as delegated administrative agent) and the Domiciliary Agent is set out in each Appendix.

12. PREVENTION OF MONEY LAUNDERING

The Company and the Administrative Agent and their officers are subject to the provisions of legislation and regulations currently in force in Luxembourg, notably the law of 12 November 2004 as amended and related regulations and CSSF circulars, as amended or supplemented from time to time. Potential new investors in the Company may be required to furnish independent documentary evidence of their identity, a permanent address and information relating to the source of the monies to be invested.

Failure to provide such information or documentation in a timely manner could result in delay in the allotment of Shares, or in a refusal to issue Shares.

If a distributor or its agents is not subject to anti-money laundering and anti-terrorist financing regulations equivalent to those of Luxembourg, the necessary control will be carried out by the Administrative Agent, on behalf and under the responsibility of the Company.

13. SHARES

13.1 General

The Board of Directors is, within each Sub-Fund, authorized without limitation to issue Shares of any Class at any time, whose characteristics may differ from those Classes then existing. Upon creation of new Classes of Shares, the Prospectus will be updated or supplemented accordingly.

Shares of any Class in any Sub-Fund shall be issued in registered form only. The inscription of the Shareholder's name in the register of Shareholders evidences his or her right of ownership of registered Shares. Shares are available through clearing systems.

Unless a Share certificate is requested, a holder of registered Shares shall receive a written confirmation of his or her shareholding. The Board of Directors recommends that investors hold non-certificated Shares for security and ease of dealing, as these have the advantage that transfer and redemption instructions will be effected without the requirement to surrender a certificate.

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

However, the Company may decline to accept the vote of any U.S. Person, as referred in the Articles.

Fractional registered Shares will be issued to up to three (3) decimal places of a Share, and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the dividends distribution and in the proceeds of liquidation attributable to the relevant Shares in the relevant Sub-Fund on a pro rata basis.

13.2 Issue of Shares

Shares in each Sub-Fund and Classes of Shares may be subscribed at such frequency and on such Valuation Day as more fully described in the relevant Appendix.

The Subscription Price per Share will be equal to the NAV of the relevant Class of Shares of the relevant Sub-Fund. Such Subscription Price may be increased, as the case may be, by a sales charge of up to an amount as set out in the relevant Appendix. The Subscription Price is available for inspection at the registered office of the Administrative Agent.

Investors whose applications are accepted will be issued Shares issued on the basis of the NAV determined in respect of the relevant Valuation Day provided that a subscription request has been received in Luxembourg at the registered office of the Administrative Agent on such Business Day and at such cut-off time as more fully described in the relevant Appendix. Applications received after such cut-off time on such Business Day will be processed in respect of the next Valuation Day.

The Subscription Price shall be payable in the Reference Currency of the relevant Class of Shares of the relevant Sub-Fund or in any other currency specified by the investor (in which case any currency conversion cost shall be borne by the investor) within such period as set out in the relevant Appendix.

Share certificates or written confirmations of shareholding (as appropriate) will be sent to Shareholders within ten (10) Business Days after the relevant Valuation Day.

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

The Company may agree to issue Shares as a consideration for a contribution in kind of securities or other assets, provided that such securities or other assets comply with the investment objectives and policy of the relevant Sub-Fund and that the contribution is made in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Company ("*réviseur d'entreprises agréé*") which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities or other assets shall be borne by the relevant Shareholder.

No Shares of any Sub-Fund will be issued during any period when the calculation of the NAV in such Sub-Fund is suspended by the Company, pursuant to the powers reserved to it under the Articles.

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

Late Trading and Market timing

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders ("cut-off time") on the

relevant day and the execution of such order at the price based on the net asset value applicable to such same day.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of the Prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable Net Asset Value. As a result, the Company will ensure that the relevant deadlines for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading to ensure that investors will only submit applications for subscriptions, conversions and redemptions of Shares based on an unknown net asset value.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value of the undertaking for collective investment.

The Company considers that the practice of market timing is not acceptable as it may affect the Company's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the Company reserves the right to refuse any application for subscription of Shares which might be related to market timing practices and to take any appropriate measures in order to protect investors against such practice.

13.3 Conversion of Shares

Unless otherwise provided for in the relevant Sub-Fund's Appendix, any Shareholder may request the conversion of all or part of his/her Shares into Shares of another Sub-Fund or of another Class of Shares within the same Sub-Fund.

Shareholders desiring to have all or any of their Shares converted should apply in writing to the Company at the registered office of the Administrative Agent.

Conversion requests should contain the following information: the identity and address of the Shareholder requesting the conversion, either the number of relevant Shares to be converted or the total amount of the value of the Shares to be converted, the relevant Sub-Fund, the relevant Class, whether the Shares are issued with or without a Share certificate, the name in which such Shares are registered.

The conversions are dealt with at an unknown NAV.

Barring a suspension of the calculation of the Net Asset Value, Shareholders whose requests for conversion are accepted will have their Shares converted in respect of any Valuation Day as determined for each Sub-Fund in the relevant Appendix, provided that the requests have been received on such Business Day and at such cut-off time as more fully described in the relevant Appendix. Requests received after such cut-off time on such Business Day will be processed in respect of the next Valuation Day.

The rate at which all or part of the Shares of a Sub-Fund or a Class (the “initial Sub-Fund or Class”) is converted into Shares of the other Sub-Fund or Class (the “new Sub-Fund or Class”) is determined as follows:

$$A = \frac{B \times C \times E}{D}$$

- A being the number of Shares of the new Sub-Fund (or Class) to be allocated;
- B being the number of Shares of the initial Sub-Fund (or Class) to be converted;
- C being the Net Asset Value per Share of the initial Sub-Fund (or Class) as calculated on the Valuation Day concerned;
- D being the Net Asset Value per Share of the new Sub-Fund (or class of Shares) as calculated on the Valuation Day concerned;
- E being the exchange rate on the day concerned between the Reference Currency of the initial Sub-Fund (or Class) and the Reference Currency of the new Sub-Fund (or Class).

Fractions of Shares (down to three (3) decimals) in the new Sub-Fund or Class will only be allocated to those Shareholders who have their Shares in the new Sub-Fund or Class registered in their names.

Unless otherwise stated in the relevant Appendix, there is presently no conversion charge. However, the Board of Directors reserves the right to introduce a conversion charge if and when appropriate. In such event, the Prospectus will be amended accordingly.

The conversion of Shares shall be governed by the rules applying to the redemption of Shares as described under Section 13.4 below, unless otherwise provided for in the present Section.

13.4 Redemption of Shares

In order to support the types of investment projects carried out by the Company over the long run, investors are invited to invest in the Company, while keeping in mind the long term horizon of the underlying investments.

Any Shareholder may ask for the redemption of all or part of his Shares on such Valuation Day as indicated for each Sub-Fund individually in the relevant Appendix.

The Redemption Price is based on the NAV of the relevant Shares. There is presently no redemption charge. The Board of Directors reserves the right to introduce a redemption charge if and when appropriate. In such event, the Prospectus will be amended accordingly.

Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the Company at the registered office of the Administrative Agent.

Redemption requests should contain the following information: the identity and address of the Shareholder requesting the redemption, either the number of relevant Shares to be redeemed or the total amount of the value of the Shares to be redeemed, the relevant Sub-

Fund, the relevant Class, whether the Shares are issued with or without a Share certificate and the name in which such Shares are registered. Share certificates in proper form (if any) and all necessary documents to complete the redemption should be enclosed with such request. For registered certificated Shares, the transfer form on the back of the certificate must be duly completed.

Shareholders have to take due care and bear responsibility that the certificates of the Shares to be redeemed, if any, are received in proper form at the registered office of the Company or of the Administrative Agent.

Shareholders whose requests for redemption are accepted will have their Shares redeemed in respect of such Valuation Day as further described for each Sub-Fund individually in the relevant Appendix, provided that the requests have been received on such Business Day and at such cut-off time as more fully described in the relevant Appendix. Requests received after such cut-off time on such Business Day will be processed in respect of the next Valuation Day.

The Redemption Price will usually under regular circumstances be paid seven (7) Business Days after the relevant Valuation Day, or from the date on which the redemption request details and Share certificates (if any) have been received by the Company, whichever is the later date.

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

The Redemption Price will be paid in the Reference Currency of the relevant Class of the relevant Sub-Fund or in any other freely convertible currency specified by the Shareholder. In the last case, any currency conversion cost shall be borne by the Shareholder. The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase.

Shares in any Sub-Fund will not be redeemed if the calculation of the NAV in such Sub-Fund is suspended by the Company pursuant to the powers conferred in the Articles.

If, as a result of any request for redemption, the aggregate NAV of the Shares held by any Shareholder in any Sub-Fund would fall below the minimum holding amount indicated for each Sub-Fund individually in the relevant Appendix, then the Company may treat such request as a request to redeem the entire shareholding of such Shareholder.

Regular cash flows are ensured through interest payments and amortizations of some loans during their maturity. The Company is actively structuring investments in such a manner to ensure sufficient liquidity in order to fulfil redemption requests. In the event of an excessively large volume of redemption orders, the Directors of the Company may decide to delay execution of redemption orders until the corresponding assets of the Company have been sold without unnecessary delay.

Compulsory redemption

Article 10 of the Articles provides that the Board of Directors, on behalf of the Company, may compulsorily redeem the Shares held by any person, firm or corporate body, if in the opinion of the Company such holding may be detrimental to the Company, if it may result in a breach

of any law or regulation whether Luxembourg or foreign, or if as a result thereof the Company may become subject to laws other than those of the Grand Duchy of Luxembourg (including but without limitation tax laws); specifically but without limitation the Company may compulsorily redeem Shares held by any U.S. Person.

13.5 Transfer of Shares

Shares are freely transferable except to U.S. Persons or nominees thereof as defined in article 10 of the Articles.

In the event of the transfer of Shares to a third party, the Board of Directors shall be authorized to require from the transferor all of the information deemed necessary to identify the proposed transferee.

14. DETERMINATION OF THE NET ASSET VALUE

14.1 The assets of each Sub-Fund include:

- all cash on hand or on deposit, including any outstanding accrued interest;
- all bills and accounts receivable, including outstanding proceeds of any sale of securities;
- all loans, promissory notes, convertible loans as well as securities, shares, bonds, time notes, debenture stocks, options or subscription rights, warrants, money market instruments, and all other investments and transferable securities belonging to the relevant Sub-Fund;
- all dividends and distributions payable to the Sub-Fund either in cash or in the form of stocks and shares (the Company may, however, make adjustments to account for any fluctuations in the market value of transferable securities resulting from practices such as ex-dividend or ex-claim negotiations);
- all outstanding accrued interest on any interest-bearing securities belonging to the Sub-Fund, unless this interest is included in the principal amount of such securities;
- all other assets whatever their nature, including derivative contracts related to currency or interest rate hedging.

14.2 Each Sub-Fund's liabilities shall include:

- all borrowings, bills, promissory notes and accounts payable;
- all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Company regarding the Sub-Fund but not yet paid;
- a provision for capital tax and income tax accrued on the Valuation Day and any other provisions authorized or approved by the Board of Directors; and

- all other liabilities of the Company of any kind with respect to the Sub-Fund, except liabilities represented by Shares. In determining the amount of such liabilities, the Company shall take into account all expenses payable by the Company.

The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated basis annually or for other periods in advance and may accrue the same in equal proportions over any such period.

14.3 Calculation and Publication

The NAV in respect of Shares within each Class of each Sub-Fund shall be expressed in the Reference Currency in which the Shares of such Class are denominated and shall be calculated at least once a month on such Valuation Day as indicated for each Sub-Fund individually in the relevant Appendix, by dividing the net assets of each Class and/or Sub-Fund (being the value of the portion of assets less the portion of liabilities attributable to such Class and/or Sub-Fund on any such Valuation Day) by the total number of Shares in the relevant Class and/or Sub-Fund then outstanding. The NAV per Share may be rounded up or down to the nearest unit.

If, since the time of determination of the NAV on the relevant Valuation Day, there has been a material change in the valuations of the investments attributable to the relevant Sub-Fund, the Company may, in order to safeguard the interests of the Shareholders and of the Company, cancel the first valuation and carry out a second valuation. All subscription and redemption requests shall be treated on the basis of this second valuation.

The NAV shall be calculated on the basis of the value of the underlying investments of the Company determined as follows:

- (a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the External AIFM may consider appropriate in such case to reflect the true value thereof.
- (b) The value of securities and money market instruments or derivatives which are listed on an official stock exchange or dealt in on any other Regulated Market is based on the last available price on the stock exchange which is normally the principal market for such assets. If such prices are not representative of the fair value, such securities, money market instruments or derivatives as well as other permitted assets may be valued at a fair value at which it is expected that they may be resold, as determined in good faith by and under the direction of the External AIFM.
- (c) Debt instruments not listed or dealt in on any stock exchange or any other Regulated Market will be valued at the outstanding face value; such value will be adjusted, if appropriate, to reflect the appraisal of the External AIFM on the creditworthiness of the relevant debt instrument. The External AIFM will use its best endeavours to continually assess this method of valuation and recommend changes, where necessary, to ensure that debt instruments will be valued at their

fair value as determined in good faith by the External AIFM. If the External AIFM believes that a deviation from this method of valuation may result in material dilution or other unfair results to Shareholders, the External AIFM will take such corrective action, if any, as it deems appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.

- (d) The amortized cost method of valuation for short-term transferable debt securities in certain Sub-Funds of the Company may be used. This method involves valuing a security at its cost and thereafter assuming a constant amortization to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security. While this method provides a systematic approach to valuation, it may result during certain periods in values which are higher or lower than the price which the Sub-Fund would receive if it sold the securities. For certain short term transferable debt securities, the yield to a Shareholder may differ somewhat from that which could be obtained from a similar sub-fund which marks its portfolio securities to market each day.
- (e) The value of participations in investment funds shall be based on the latest available valuation. Generally, participations in investment funds will be valued in accordance with the methods provided by the instruments governing such investment funds. These valuations shall normally be provided by the investment fund administrator or valuation agent of an investment fund. To ensure consistency within the valuation of each Sub-Fund, if the time at which the valuation of an investment fund was calculated does not coincide with the valuation time of any Sub-Fund, and such valuation is determined to have changed materially since it was calculated, then the NAV may be adjusted to reflect the change as determined in good faith by and under the direction of the External AIFM.
- (f) The valuation of swaps will be based on their value when initially transacted unless a deterioration in the asset related to the swap requires an unwind of such swap, in which case it will be valued at market value, which itself depends on various factors (e.g. level and volatility of the underlying asset, market interest rates, residual term of the swap). Any adjustments required as a result of issues and redemptions are carried out by means of an increase or decrease in the nominal of the swaps, traded at their market value.
- (g) The valuation of derivatives traded over-the-counter (OTC), such as futures, forward or option contracts not traded on exchanges or on other recognized markets, will be based on their net liquidating value determined, pursuant to the policies established by the External AIFM in a consistent manner for each category of contracts. The net liquidating value of a derivative position is to be understood as being equal to the net unrealized profit/loss with respect to the relevant position.
- (h) The value of all other assets will be determined prudently and in good faith by and under the direction of the External AIFM in accordance with the relevant valuation principles and procedures.

- (i) In the event that, for any assets, the price as determined pursuant to subparagraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

The value of all assets and liabilities not expressed in the Reference Currency of a Sub-Fund will be converted into such Reference Currency at the rate of exchange ruling in Luxembourg on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the External AIFM.

The External AIFM, in its discretion, may permit the use of other methods of valuation if it considers that such valuation reflects the value of any asset of the Company more accurately.

With respect to the protection of Shareholders in case of Net Asset Value calculation error, the Company intends to comply with the principles and rules set out in Circular 02/77, subject to what may be specified in each Appendix in respect of Sub-Funds.

The NAV and the issue and redemption prices for the Shares of each Class of each Sub-Fund may be obtained during business hours at the registered office of the Administrative Agent.

The current Net Asset Value and the historical performance of each Sub-Fund shall be made available to potential investors by means of a fact sheet together with a copy of this Prospectus. The External AIFM will communicate each Sub-Fund's Net Asset Value to its Shareholders at least yearly.

15. TEMPORARY SUSPENSION OF THE CALCULATION

In each Sub-Fund, the calculation of the NAV and the issue and redemption of Shares may be temporarily suspended:

- (a) during any period when any one of the stock exchanges or other principal markets on which a substantial portion of the assets of the Company attributable to such Sub-Fund, from time to time, is quoted or dealt in is closed (otherwise than for ordinary holidays) or during which dealings therein are restricted or suspended provided that such restriction or suspension affects the valuation of the investments of the Company attributable to such Sub-Fund quoted thereon; or
- (b) during any period when, as a result of political, economic, military, sanitary (including pandemic) or monetary events or any circumstances outside the control, responsibility and power of the Board of Directors, or the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors, disposal or valuation of the assets held by the Company attributable to such Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders, or if in the opinion of the Board of Directors the issue and, if applicable, redemption prices cannot fairly be calculated; or
- (c) during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Company attributable to such Sub-Fund or the current prices or values on any stock exchanges or other markets in respect of the assets attributable to such Sub-Fund; or

- (d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Shares of the Company cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or
- (e) from the time of publication of a notice convening an extraordinary general meeting of Shareholders for the purpose of winding up the Company or any Sub-Fund(s), or merging the Company or any Sub-Fund(s), or informing the Shareholders of the decision of the Board of Directors to terminate or merge any Sub-Fund(s); or
- (f) when for any other reason, the prices of any investments owned by the Company attributable to such Sub-Fund cannot be promptly or accurately ascertained.

Notice of the beginning and of the end of any period of suspension shall be given by the Company to all the Shareholders.

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

16. DISTRIBUTION POLICY

In each Class within each Sub-Fund, the Board of Directors may issue capitalization Shares and distribution Shares, as more fully described in the relevant Appendix.

Distribution Shares may pay a dividend to their holders whereas capitalization Shares capitalize their entire earnings.

The annual general meeting of Shareholders shall decide, upon proposal from the Board of Directors, what share of the Company's profits shall be distributed from each relevant Class. Distribution of a dividend may be decided independently of all capital gains or losses, realized or unrealized. However, no distribution may be made if, as a result, the Net Asset Value of the Company would fall below the equivalent in USD of EUR 1,250,000.

Consequently, the annual general meeting of Shareholders may approve, for each Sub-Fund or Class, the distribution of the net income and capital gains, realised or unrealised, after deduction of capital losses, realised or unrealised. The amounts corresponding to income attributable to the Shares of a Class which decided not to pay a dividend will be capitalised in the assets of the Class concerned.

The distribution policy of each Class within each Sub-Fund is set out in the relevant Appendix.

Any distribution that has not been claimed within five years of its declaration shall be forfeited and the corresponding assets shall revert to the Sub-Fund relating to the relevant Class or Classes.

17. CHARGES AND EXPENSES

17.1 Costs payable by the Sub-Funds

As more fully described in the relevant Appendix, the Company will pay out of the assets of the relevant Sub-Fund all expenses payable by the Company which shall include but not be limited to the fees payable to the External AIFM including performance fees, if any, fees and expenses of the Portfolio Manager, fees and expenses payable to the Depositary and its correspondents, the paying agent, domiciliary and corporate agent, and Administrative Agent, any permanent representatives in places of registration as well as any other agent employed by the Company, the remuneration of the Directors and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, fees and expenses for legal, accounting and auditing services, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodic reports or registration statements, the costs of printing certificates, and the costs of any reports to the Shareholders, expenses incurred in determining the NAV, the cost of convening and holding Shareholders' and Board of Directors' meetings, all taxes, duties, governmental and similar charges, and all other operating expenses, including all costs of screening, buying or selling, costs in relation to transactions in UCIs, UCITS and any other eligible investment companies, currency risk hedging and related hedging advice costs, costs relating to cash management, ongoing monitoring or restructuring of assets, reasonable travelling costs of the External AIFM and the Portfolio Manager, if any, in connection with the selection of Investee and of investments in such Investees, the cost of publishing the issue and redemption prices, if applicable, interest, bank charges, currency conversion costs and brokerage, postage, telephone and telex. The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure rateably for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

Transaction costs include *inter alia* all third party costs of sourcing, evaluating, making, holding or disposing of (potential) investments, including, but not limited to, brokerage fees, clearing and settlement fees, advisors' fees and other transaction costs. Transaction costs are mostly included in the cost price or deducted from the proceeds of the respective investment and hence are not recorded separately in the Company's profit and loss account. The average transaction costs will not exceed 30 basis points of the aggregate transaction amount.

It is expected that during a financial year the operational costs and expenses listed above will not exceed 200 basis points of the NAV of the Company.

The costs are disclosed in the annual report of the Company.

17.2 Formation and Launching Expenses of additional Sub-Funds

The costs and expenses incurred in connection with the creation of a new Sub-Fund shall be written-off over a period not exceeding five years against the assets of such Sub-Fund only and in such amounts each year as determined by the Board of Directors on an equitable basis.

17.3 Costs and fees to be borne by the Shareholders

Where applicable, Shareholders may have to bear placement fees and/or costs and/or fees with respect to the issue, redemption or conversion of Shares perceived by entities other than the Company.

18. MEETINGS OF, AND REPORTS TO, SHAREHOLDERS

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund) shall in accordance with the 1915 Law be mailed to each registered Shareholder at least fifteen days prior to the meeting and shall be published to the extent required by Luxembourg law.

The Company publishes annually a detailed audited report on its activities and on the management of its assets; such report shall include, inter alia, the audited annual accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund, a report from the Auditor, the past performance of the Company and all information to be covered pursuant to the AIFM Rules.

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

The annual audited report may be obtained free of charge by the Shareholders and any person at the registered office of the Administrative Agent. The annual audited report is made available to the Shareholders at the latest fifteen days prior to the date of the annual general meeting of Shareholders of each year and shall be published on the External AIFM's website.

Semi-annual reports may be obtained free of charge by the Shareholders and any person at the registered office of the Administrative Agent. The semi-annual report is made available to the Shareholders at the latest on the last Business Day of March of each year and shall be published on the External AIFM's website.

The accounting year of the Company shall commence on the first (1st) of July of each year and shall terminate on the thirty (30) of June of the following year.

The annual general meeting of Shareholders takes place in Luxembourg City at a place specified in the notice of meeting

The Shareholders of any Sub-Fund or any class of Shares within a given Sub-Fund may be convened to hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund or class of Shares.

The accounts of the Company shall be maintained in USD being the reference currency of the share capital.

19. FAIR TREATMENT OF SHAREHOLDERS

The participation of each Shareholder in each Sub-Fund is represented by Shares. Each Share pertaining to the same Class of Shares within the same Sub-Fund bears the same rights and obligations. Therefore, equal treatment of all Shareholders holding Shares of the same Class of Shares within the same Sub-Fund is ensured. Neither the Company, nor the External AIFM, nor the Portfolio Manager, will enter into any side letter or special arrangement with any Shareholder.

20. INFORMATION AND DOCUMENTS AVAILABLE

Copies of the Articles, the current Prospectus, the latest financial reports, semi-annual reports and accounts referred to under the heading “Meeting of and Reports to, Shareholders”, if any, may be obtained free of charge during office hours at the registered office of the Company.

Copies of material contracts the Company has entered into are available for inspection during business hours at the registered office of the Company.

The External AIFM will make available to investors, upon request, a summary description of the Voting Policy and details of the actions taken on the basis of that Voting Policy.

The External AIFM will inform Shareholders without undue delay of:

- (i) any changes to the maximum level of Leverage that may be incurred by a Sub-Fund;
- (ii) the granting to a counterparty of a right of use over the assets of a Sub-Fund;
- (iii) any guarantee granted for the account of a Sub-Fund to a third-party under the leveraging arrangement;
- (iv) any change to the arrangements made by the Depositary to contractually discharge itself of liability in accordance with the AIFM Rules; and
- (v) any other material conflicts of interest identified by the External AIFM under article 14.1, paragraph 3 of the AIFM Directive.

Additional information will be periodically disclosed by the External AIFM to the Shareholders in accordance with the provisions of the AIFM Rules (whether by way of individual communication or through the inclusion of a note in the annual report of the Company) including without limitation:

- (i) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- (ii) any new arrangements for managing the liquidity of the Company;
- (iii) the current risk profile of the Company (and each Sub-Fund) and an overview of the risk management systems employed by the External AIFM to manage those risks;
- (iv) the total amount of Leverage employed by the Company (and each Sub-Fund) calculated in accordance with the gross and commitment methods; and
- (v) any material changes in the information listed in article 23.1 of the AIFM Directive over a relevant Fiscal Year.

In addition, the External AIFM will inform Shareholders of the general nature or sources of conflicts of interest to the extent the External AIFM's organisational arrangements established to identify, prevent, manage and monitor conflicts of interest are not sufficient to

ensure, with reasonable confidence, that any risks of damage to the Shareholders' interests will be prevented.

The Articles may be amended by an extraordinary general meeting of Shareholders subject to the quorum and majority requirements provided by the 1915 Law at the proposal of the Board of Directors or at the request of the Shareholders representing at least one-tenth of the capital of the Company.

21. AMENDMENTS TO THE PROSPECTUS

Subject to regulatory approval, the Board may amend the provisions of Part 1 as follows:

- (i) where the change is determined by the Board of Directors not to be a material change (which includes, without limitation, changes necessary to comply with the Investment Company Act of 1940, the United States Securities Act of 1933 or FATCA), upon decision of the Board of Directors; or
- (ii) where the change is determined by the Board of Directors to be a material change, only following the consent by Shareholders in all Sub-Funds who together hold Shares whose aggregate voting rights represent at least two thirds (2/3) of the total voting rights of the Company.

Shareholders will be notified by the Board of Directors of all amendments that are adopted without their consent in accordance with item (i) above.

No amendment may be made to this section 21 of Part 1 without the unanimous consent of all investors in the Company.

Shareholders who vote against or abstain from voting for any material changes under (ii) above will have the right to redeem their Shares free of charge during a period starting from the notification by the Company to the relevant Shareholders of these changes and ending one month before the relevant changes have effect.

22. TAXATION

The following information is of a general nature only and is based on the Company's understanding of certain aspects of the laws and practice in force in Luxembourg as of the date of this Prospectus. It does not purport to be a comprehensive description of all of the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the Shares and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to Shareholders. This information is based on the laws in force in Luxembourg law on the date of this Prospectus and is subject to any change in law that may take effect after such date. Prospective Shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject and as to their tax position.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), a temporary tax to balance the state budget (*impôt d'équilibrage budgétaire temporaire*) of 0.5% as well as personal income tax (*impôt sur le revenu*) generally. Corporate investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, to the solidarity surcharge and to the temporary tax to balance the state budget. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

22.1 Taxation of the Company

Subscription tax

The Company is as a rule liable in Luxembourg to an annual subscription tax (*taxe d'abonnement*) of 0.05% *per annum*. The taxable basis of the subscription tax is the aggregate net assets of the Company as valued on the last day of each quarter. A reduced rate of 0.01% or an exemption may apply in certain cases, notably under certain conditions for microfinance investment vehicles such as the Company.

Withholding tax

Non-residents

Under current Luxembourg tax law, there is no withholding tax in Luxembourg on any distribution or payments made by the Company or its Luxembourg paying agent (if any) to non-residents.

Residents

Under current Luxembourg tax law there is no withholding tax on any distributions made by the Company to a resident Shareholder.

Income tax

Under current Luxembourg tax law and practice, the Company is not liable to Luxembourg corporate income tax or municipal business tax.

Net Worth tax

Under current Luxembourg tax law, the Company is not liable to net worth tax in Luxembourg.

Value added tax

The Company 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 Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg as 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 Company to its investors, to the extent that such payments are linked to their subscription to the Company's Shares and do not constitute the consideration received for taxable services supplied.

Other taxes

No stamp or other tax is generally payable in Luxembourg in connection with the issue of Shares against cash by the Company, except a fixed registration duty of € 75 if such issue implies an amendment to the articles of incorporation of the Company.

The Company may be subject to withholding tax on dividends and interest and to tax on capital gains in the country of origin of its investments. As the Company itself is exempt from income tax, withholding tax levied at source, if any, would normally not be refundable. Whether the Company may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. As the Company is structured as an investment company, certain double tax treaties signed by Luxembourg may directly be applicable to the Company.

22.2 Taxation of the Shareholders

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

<p>Investors should consult their professional advisors on the possible tax or other consequences of buying, holding, transferring or selling the Shares under the laws of their countries of citizenship, residence or domicile.</p>
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Luxembourg tax residency of the Shareholders

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg, by reason only of the holding of the Shares, or the execution, performance, delivery and / or enforcement thereof.

Income tax

Luxembourg resident individuals

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realized upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her 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 within 6 months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Shareholder holds or has held, either alone or together with his spouse or partner and / or minor children, directly or indirectly at any time within the 5 years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the 5 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 5-year period). Capital gains realized on a substantial participation more than 6 months after the acquisition thereof are taxed 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 realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realized on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her 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.

Luxembourg resident companies

A Luxembourg resident company must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes.

Luxembourg residents benefiting from a special tax regime

Shareholders who are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment subject to the Law of 2010, (ii) specialized investment funds subject to the Law of 13 February 2007, as amended, (iii) family wealth management companies governed by the law of 11 May 2007, as amended, and (iv) reserved alternative investment funds governed by the law of 23 July 2016 which do not fall under the

special tax regime set out in article 48 thereof, are income tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax.

Luxembourg non-residents

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

A non-resident company which has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax assessment purposes. The same inclusion applies to an individual, acting in the course of the management of a professional or business undertaking, who has a permanent establishment or a permanent representative in Luxembourg, to which 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 or redeemed.

Net worth tax

A Luxembourg resident, as well as a non-resident who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, are subject to Luxembourg net worth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the Law of 2010, (iii) a securitization company governed by the law of 22 March 2004 on securitization, as amended (subject to an annual minimum net worth tax introduced as of 1 January 2016), (iv) a company governed by the law of 15 June 2004 on the investment company in risk capital, as amended (subject to an annual minimum net worth tax introduced as of 1 January 2016), (v) a specialized investment fund governed by the law of 13 February 2007, as amended, (vi) a family wealth management company governed by the law of 11 May 2007, as amended, or (vii) a reserved alternative investment fund governed by the law of 23 July 2016 (subject to an annual minimum net worth tax introduced as of 1 January 2016, provided that the reserved alternative investment fund is governed by article 48 of the law of 23 July 2016).

Other taxes

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

Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

22.3 FATCA compliance

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a “**Foreign Financial Institution**”, or “**FFI**” (as defined by FATCA)) that does not become a “**Participating FFI**” by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the FFI (a **Recalcitrant Holder**). The new withholding regime is now in effect for payments from sources within the United States and will apply to “**foreign passthru payments**” (a term not yet defined) no earlier than 1 January 2019. The Company is classified as an FFI.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each an **IGA**). Pursuant to FATCA and the “**Model 1**” and “**Model 2**” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a “**Reporting FI**” or in the case of certain exempt entities as a “**Non-Reporting FI**”. A Reporting FI or Non-Reporting FI is not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government, or to the IRS. On 28 March 2014, the United States and the Grand Duchy of Luxembourg entered into an agreement (the **Luxembourg IGA**) based largely on the Model 1 IGA.

The Company has been registered as a Luxembourg Reporting FI with the IRS (Global Intermediary Identification Number: 9ZVG5L.99999.SL.442) and therefore does not anticipate being subject to withholding under FATCA on payments it receives or being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Company would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Company and financial institutions through which payments on the Shares are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Shares is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA were to be withheld either from amounts due to the Company or from any payments on the Shares, neither the Company nor any other person would be required to pay additional amounts.

The Company reserves the right to request from each prospective investor and Shareholder any such information as required for the Company to satisfy its obligations under FATCA, the related U.S. Treasury Regulations or any other guidance issued or agreements entered into thereunder, or any IGA entered into by any taxing jurisdiction with the United States. Each Shareholder must waive the application of any non-U.S. laws which, but for such waiver, would prevent the Company or any other Person from reporting information in respect of FATCA, and, if necessary to effectuate the information reporting contemplated by FATCA, must obtain similar waivers from its direct and indirect owners.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Company and to payments they may receive in connection with the Shares.

Except as provided above with respect to FATCA, this summary does not address any U.S. federal income tax consequences that may be relevant to an investment in the Company, including, but not limited to, the U.S. federal income tax consequences of investments by the Company or distributions paid by the Company to Investors. Each prospective Investor should also note that this summary does not address the interaction of U.S. federal tax laws and any income or estate tax treaties between the United States and any other jurisdiction. Investors are encouraged to consult their own tax advisors regarding the U.S. federal income tax consequences that may be relevant to an investment in the Company.

23. DISSOLUTION AND LIQUIDATION OF THE COMPANY

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

Whenever the share capital falls below two-thirds of the minimum capital of the equivalent in USD of EUR 1,250,000, the question of the dissolution of the Company shall be referred to a general meeting of Shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares present and represented at the meeting.

The question of the dissolution of the Company shall also be referred to a general meeting of Shareholders whenever the share capital falls below one-fourth of the minimum capital of the equivalent in USD of EUR 1,250,000; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one-fourth of the Shares present and represented at the meeting.

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

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities and do not need to be Shareholders; the general meeting of Shareholders shall appoint them and determine their powers and their compensation.

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

Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the 2010 Law, which specify the steps to be taken to enable Shareholders to participate in the distribution(s) of the liquidation proceeds and provide for a deposit in escrow at the *Caisse de Consignations* at the time of the close of

liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

24. DISSOLUTION AND MERGER OF SUB-FUNDS OR CLASSES OF SHARES

In the event of any liquidation or merger of a sub-fund or class or if for any other reason the value of the net assets has decreased to, or has not reached, a sufficient amount to be operated in an economically efficient manner, or if a change in the economic, monetary or political situation relating to the Sub-Fund or Class concerned would have material adverse consequences on the investments of that Sub-Fund or Class or in order to proceed to an economic rationalization, the Board of Directors may decide to:

- (a) propose to the relevant shareholders to convert all their Shares issued in such Sub-Fund or Class into Shares of another Sub-Fund or Class having similar features (the **Switch**); or
- (b) compulsorily redeem all the Shares issued in such Sub-Fund or Class at their NAV (taking into account actual realization prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect.

The Company shall send a notice to the Shareholders via registered mail concerned by the Switch or the compulsory redemption prior to the effective date for such Switch or redemption, which will indicate the reasons for, and the procedure of, the Switch or the redemption operations; registered holders shall be notified in writing. Unless it is otherwise decided in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund or Class concerned may continue to request the Switch or the redemption (if appropriate) of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of Shareholders of any Sub-Fund or Class may, upon proposal from the Board of Directors, redeem all the Shares of such Sub-Fund or Class and refund to the Shareholders the NAV of their Shares (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of those present or represented and voting at such meeting.

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

Under the same circumstances as provided in the first paragraph of this section, the Board of Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Company or to another undertaking for collective investment or to another sub-fund within such other undertaking for collective investment (the **New Sub-Fund**) and to redesignate the Shares of the Sub-Fund concerned as Shares of the New Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Shareholders). Such decision will be published in the same manner

as described in the first paragraph of this section (and, in addition, the publication will contain information in relation to the New Sub-Fund), one month before the date on which the amalgamation becomes effective in order to enable Shareholders to request redemption of their shares, free of charge, during such period.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, a contribution of the assets and of the liabilities attributable to any Sub-Fund to another Sub-Fund of the Company may be decided upon by a general meeting of the Shareholders of the Sub-Fund concerned which will decide upon such an amalgamation by resolution taken with no quorum and by simple majority of those present or represented and voting at such meeting.

A contribution of the assets and of the liabilities attributable to any Sub-Fund to another undertaking for collective investment referred to in the fifth paragraph of this section or to another sub-fund within such other undertaking for collective investment shall require a resolution of the Shareholders of the Sub-Fund concerned taken with no quorum and by simple majority of those present or represented and voting at such meeting, except when such an amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type ("*fonds commun de placement*") or a foreign based undertaking for collective investment, in which case resolutions shall be binding only on such Shareholders who have voted in favour of such amalgamation.

25. CONFLICT OF INTEREST

Prospective investors should note that the members of the Board of Directors, the External AIFM, the Portfolio Manager, the Depositary, Corporate, Domiciliary and Administrative Agent and their respective affiliates, directors, officers and shareholders (for the purpose of the section collectively the **Parties**) may be involved in other financial, investment and professional activities which may cause conflicts of interest in their relationships with the management and administration of the Company. The following considerations are given on a non-exhaustive basis.

In the event that any member of the Board of Directors has an interest conflicting with that of the Company in a transaction which is subject to the approval of the Board of Directors, that member must make such interest known to the Board of Directors and cause a record of his/her statement to be included in the minutes of the meeting.

This member must not deliberate or vote upon any such transaction. Any such transaction must be specifically reported at the next meeting of Shareholders before any other resolution is put to a vote. Such abstention from voting shall not be counted.

The External AIFM and the Portfolio Manager shall act in the best interests of the Company. The External AIFM and the Portfolio Manager shall immediately inform the Company of any circumstance where the Company would participate in a transaction in which the External AIFM and the Portfolio Manager or any of their affiliates have directly or indirectly a material interest or a relationship with another party which may involve a conflict with the External AIFM's or the Portfolio Manager's duty to the Company. Any such transaction will be specifically reported in the Company's annual report.

The Depositary, in carrying out its role as depositary of the Company, must act solely in the interest of the Shareholders.

No Shareholder will be required or expected to disclose or make available to the Company investment opportunities it may pursue for its own account or in the capacity of a shareholder or manager or advisor of any other UCI, including investment opportunities suitable to or under consideration by the Company.

In the course of their regular business activities, Shareholders may possess, or come into possession of, information directly relevant to investment decisions of the Company, of the External AIFM, the Portfolio Manager. No such Shareholders will be required or expected to disclose or otherwise reveal any such information to third parties, including the Company, the External AIFM, the Portfolio Manager.

26. DATA PROTECTION

For the purpose of this Prospectus:

“Data Protection Legislation” means the Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 (the **GDPR**), the relevant guidance from the European Data Protection Board, as well as any other applicable laws, regulations and sector recommendations, including the national legislations implementing or complementing the GDPR, notably the law of 1 August 2018 on the organisation of the CNPD and the implementation of the GDPR and the guidance and codes of practice issued by the relevant data protection authorities, as such legislation and guidance may be complemented, amended, replaced or repealed from time to time.

“Data subject(s)” means (i) individual Shareholders and prospective investors and (ii) to the extent such Shareholders and prospective investors are legal entities, individuals relating to them such as the Investor’s legal representatives, contact persons, directors, officers, employees and/or beneficial owners.

The terms **“Personal Data”**, **“Data Controller”**, **“Processor”** shall have the meaning given to them as set out in Data Protection Legislation.

The Company is acting as Data Controller in relation to any Personal Data the Data Subjects provide to the Company.

The Company may itself (or through the Company’s service providers such as the External AIFM, the Administrative Agent, the Portfolio Manager, the Depositary, the Auditor), acting as Processor, process Data Subjects’ Personal Data in accordance with the privacy notice (the **Privacy Notice**) provided separately.

In limited circumstances, notably to meet their own respective legal obligations, the Company’s service providers may process Personal Data for their own purposes and they shall, to such extent, be regarded as independent Data Controllers. For the avoidance of doubt, the Company’s service providers are not acting as joint Data Controllers to the Company in relation to such personal data processing.

- Where Personal Data is shared by a Shareholder or prospective Shareholder on Data Subjects with the Company (e.g. information relating to its legal representatives,

contact persons, directors, officers, employees and/or and beneficial owners), the Shareholder or prospective Shareholder shall ensure such disclosure is in compliance with all Data Protection Legislation and that there is no prohibition or restriction which could: prevent or restrict it from disclosing or transferring the Personal Data to the Company;

- prevent or restrict the Company from disclosing or transferring Personal Data to the data recipients as further described in the Privacy Notice (e.g. affiliates, service providers, judicial authorities, etc.) (the **Data Recipients**); and
- prevent or restrict (i) the Company from processing Personal Data or (ii) the Data Recipients who act as Processors, from processing Personal Data on behalf of the Company for the purposes set out in this Prospectus or the Privacy Notice.

If a Shareholder or prospective Shareholder shares Personal Data on Data Subjects with the Company, the Shareholder or prospective Shareholder shall ensure that it has provided a fair processing notice informing the Data Subjects of the Company's processing of such Personal Data as described in the Privacy Notice, including notifying the Data Subjects of any updates to the Privacy Notice. Where required, the Investor shall procure the necessary consents from Data Subjects to the processing of Personal Data as described in the Privacy Notice.

The Shareholder or prospective Shareholder who shares Personal Data relating to such Shareholder with the Company shall indemnify and hold the Company harmless for and against all direct and indirect damages and financial consequences arising from any breach of these warranties.

27. PAYMENT OF RETROCESSIONS AND REBATES

The External AIFM may pay retrocessions as remuneration for distribution or placement activity in respect of Shares. This remuneration may be deemed payment for the following services in particular:

- Placement of Shares without engaging in any form of offering or advertising; or
- Distribution of Shares.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform Shareholders, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the Shareholders concerned.

In the case of distribution activity in or from Switzerland, the External AIFM and its agents may, upon request, pay rebates directly to Shareholders. The purpose of rebates is to reduce the fees or costs incurred by the Shareholder in question. Rebates are permitted provided that:

- They are paid from fees received by the External AIFM and therefore do not represent any additional charge on the Company assets;
- They are granted on the basis of objective criteria;

- All Shareholders who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the External AIFM or its agents are as follows:

- The volume subscribed by the Shareholder or the total volume they hold in the collective investment scheme or, where applicable, in the product range;
- The amount of the fees generated by the Shareholder;
- The investment behaviour shown by the Shareholder;
- The Shareholder's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the Shareholder, the External AIFM must disclose the amounts of such rebates free of charge.

APPENDIX I – BlueOrchard Microfinance Fund

This Appendix must be read in conjunction with Part 1 of the Prospectus. This Appendix refers only to the BlueOrchard Microfinance Fund (hereafter the **Sub-Fund**).

1. Investment Policy and Process

1.1. Investment Objective and Policy of the BlueOrchard Microfinance Fund

The Sub-Fund seeks primarily, as its core objective as a sustainable investment fund in accordance with Article 9 of EU Regulation 2019/2088 (**Sustainable Finance Disclosure Regulation of 2019 or SFDR**) to contribute to economic, environmental and social development and to improve access to financial services to those at the bottom of the pyramid as well as small and medium enterprises, mainly in emerging markets. Additional information regarding the sustainability objectives and foci of the Sub-Fund can be found on the Company's Internet Web site as well as in the SFDR Annex of the Company's Prospectus. The investment strategy will therefore include among other, but not limited to, the financing of the following sectors:

- microfinance;
- income- generation activities in the productive and agricultural sector;
- affordable housing;
- affordable education;
- sustainable energy, improvements in energy efficiency, including green energy products;
- health, water and sanitation services;
- humanitarian relief activity; or
- provision of products or services to support the working poor in their economic upliftment.

The Sub-Fund may also contribute to the development needs of the financial system, infrastructure, educational system, sustainable/green energy projects and sustainable real estate projects by providing debt financing to Investees mainly in emerging markets.

The Sub-Fund combines financial and social return objectives as defined in the Prospectus and the SFDR Annex thereto and incorporates both elements throughout its investment process including post-disbursement monitoring of investments. The Sub-Fund aims to provide a stable return to investors, and in order to do so, the Sub-Fund aims to provide local currency (fully hedged) or USD debt financing.

The Sub-Fund is aimed at investors with a medium to long-term investment horizon as the investment strategy pursued is not a short-term strategy.

The Sub-Fund will at all-times be risk diversified and maintains diversifications investment guidelines.

The Sub-Fund will not use SFT or TRS within the meaning of SFTR.

1.2. Investment Universe

The Sub-Fund will primarily directly finance Investees with senior debt and subordinated-debt. The strategy employed actively removes the local currency exposure and actively manages the remaining USD interest rate risk.

The Sub-Fund can invest in the following financial instruments in any eligible currency:

- senior, unsubordinated short term and long term loans and/or bonds (secured or unsecured)*
- subordinated loans and/or bonds*
- promissory notes, notes or similar instruments
- term deposits, certificate of deposits or commercial papers
- SPVs, including investment funds, formed to invest in impact investment debt assets
- equity (only if resulting from a restructuring)

The Fund may hold participations in SPVs and/or funds which enable access to local currency hedging capabilities.

*The Sub-Fund may invest in local debt securities issued by Investees which are usually not listed on a stock exchange nor dealt in on another Regulated Market.

To the extent the investment by the Sub-Fund in debt securities would be:

- (i) impracticable due to the lack of securitisation of such instruments; and/or
- (ii) prejudicial to Shareholders due to e.g. (x) the withholding taxes levied on investment in such securities or (y) due to local legal and / or local regulatory constraints;

the Sub-Fund may contribute to the financing of Investees using other debt instruments such as:

- (i) direct loans or credit facilities to Investees or to entities that themselves refinance Investees;
- (ii) collateral deposits with larger credit institutions involved in the refinancing of Investees, which deposits will be remunerated in favour of the Sub-Fund by the interest rate prevailing in the market for such type of deposits and will be pledged for the benefit of such credit institutions. The scope and timeframe of such loans and deposits will depend on the relevant market conditions at the time of investment but it is anticipated that such investments will be made on an ancillary or temporary basis;
- (iii) guarantee arrangements / standby letters of credit and other type of security to be granted to or for the benefit of an Investees;
- (iv) other types of arrangements with the purpose of investing in Investees debt including but not limited to special purpose vehicles, deposits, etc.

The Sub-Fund's portfolio Weighted Average Life is maximum 30 months for the entire portfolio of the Sub-Fund. The Weighted Average Life is the average number of months/years for which each dollar of unpaid principal remains outstanding and is a good indication of the

liquidity of private debt instruments. For listed instruments, the Weighted Average Life measure may not be calculated based on their defined duration but rather measured in respect of the estimated liquidity in the market.

In general, the Sub-Fund aims to hedge all non-USD currency exposure but it might still be exposed to EUR and other currencies to a small extent. Hedging instruments may include cross currency swaps, foreign exchange forwards (deliverable and non-deliverable) and forward exchange, plain vanilla options. Interest rate swaps or future contracts may also be used to hedge fixed rate debt instruments.

On an ancillary basis and/or in exceptional circumstances, the Sub-Fund may convert a portion of debt instruments held against an Investee into shares or other type of equity participation issued by such Investee, in the best interest of Shareholders. Moreover, in circumstances where it is deemed reasonable and in the best interest of Shareholders, the Sub-Fund may acquire, take assignment of or otherwise accede to, the interest(s) of other lenders and/or equity holders of Investees in which the Sub-Fund has invested. The Sub-Fund may deem such action reasonable under a range of circumstances which may include, but would not be limited to, the occasion of a restructuring of a nonperforming investment, in which it may be advantageous to the Sub-Fund to expand its holding.

The aggregate amount of such equity participations held by the Sub-Fund at the time of such conversion and as a result thereof shall not exceed 10% of its Total Assets. For the avoidance of doubt, this paragraph only applies to exceptional circumstances connected to an Investee's debt restructuring and will not apply to initial investments by the Sub-Fund.

In addition, the Sub-Fund may also acquire equity participations in investment funds or similar vehicles the purpose of which is to enable the Sub-Fund to have access to currency hedging instruments in relation to investments made by the Sub-Fund, provided that such investments will in aggregate not exceed 10% of the Sub-Fund's Total Assets.

The Sub-Fund will not lend securities to external parties.

1.3. Liquidity

For cash management purposes, the Sub-Fund can invest in:

- treasury bills and government bonds
- (UCITS) money market mutual funds
- cash deposits

The liquid assets available to the Sub-Fund may be invested in fixed or variable income securities or debt instruments issued by OECD countries, their agencies or supranational entities, money market instruments, money market UCIs, term deposits, cash or cash equivalents. All liquid assets must be denominated in USD or hedged into USD.

Regular cash flows are achieved through interest payments and amortizations of some loans during their maturity. The Sub-Fund is actively structuring investments in such a manner to achieve sufficient liquidity in order to fulfil redemption requests. However, since the Sub-fund invests in illiquid instruments the risk remains that it may be very difficult to close positions, so that there is no assurance that the Sub-Fund will meet the redemption applications at the exact time they are submitted.

1.4. Investment Restrictions and use of leverage

1. The Sub-Fund may not:

- a) acquire more than 20% of the financing instruments of the same kind issued by the same issuing body, provided that such restriction shall not apply in respect of debt instruments issued by an Investee;
- b) invest more than 20% of its Total Assets in securities or financing instruments issued by the same issuing body;
- c) invest more than 20% of its Total Assets in shares, securities equivalent to shares or quasi-equity of corporations not listed on a Regulated Market or any other market which is regulated, operates regularly and is recognised and open to the public.

The restrictions mentioned here above are not applicable to securities issued or guaranteed by a member state of the OECD, their agencies, multilateral agencies or supranational bodies. Furthermore, the restrictions shall not be applicable to situations where the limit is exceeded purely due to a merger of issuing bodies or borrowers. Further, the limits under a), b) and c) shall not be applicable where the Sub-Fund is able to ensure that these limits are maintained on a look through basis.

The Sub-Fund does not employ investment leverage and does not engage in securities lending. The Sub-Fund may borrow the equivalent of up to 25% of its net assets on a temporary basis for liquidity bridging. The use of foreign currency and interest hedging instruments may further increase the calculatory gross exposure level. The calculatory gross exposure level in accordance with the AIFMD Rules can be obtained free of charge at the registered office of the External AIFM during normal office hours.

The expected maximum level of leverage of the Sub-Fund is 225% of its Net Asset Value on a gross basis and 125% of its Net Asset Value on a commitment basis.

1.5. Currency and Interest Rate Hedging

For hedging purposes, the Sub-Fund may invest in:

- cross currency swaps
- interest rate swaps
- credit default swaps (CDS)
- Interest rate futures and treasury futures of the Government of the United States of America
- foreign-exchange forwards (deliverable or NDF).

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Sub-Fund may enter into transactions the object of which is the purchase or the sale of forward foreign exchange contracts, futures, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currency forwards or the exchange of currencies on a mutual agreement basis provided that these transactions

be made either on exchanges or over-the-counter with recognized financial institutions specializing in these types of transactions and being participants of the over-the-counter markets.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency (including a currency bearing a substantial relation to the value of the reference currency (i.e. currency of denomination) of the Sub-Fund - known as "**Cross Hedging**") may not exceed the total valuation of such assets and liabilities nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

The Sub-Fund will enter into currency hedging transactions for two distinct purposes:

- (1) Portfolio hedging: When investments in the Sub-Fund are made in currencies other than the Reference Currency of the Sub-Fund, such currencies will be hedged into the Reference Currency of the Sub-Fund with available hedging instruments for the maturity of the investment in question.
- (2) Share class hedging: the Net Asset Value of each Class having a Reference Currency different from the Sub-Fund's Reference Currency shall be hedged into its respective Reference Currency with available hedging instruments on a monthly basis, coinciding with the Valuation Days.

All costs relating to share class hedging will be borne by the relevant hedged classes.

As a hedge against interest rate fluctuations, the Sub-Fund may enter into interest rate swaps or future contracts on a mutual agreement basis with recognized financial institutions specialising in this type of transactions.

1.6. Portfolio Management Process of the Sub-Fund

Investments are carried out according to the three following steps:

- (i) selection of investments compliant with predefined eligibility criteria on the basis of the due diligence;
- (ii) definition of legal and financial terms and conditions of the investment by the Sub-Fund in the Investee;
- (iii) construction of a well-diversified asset portfolio.

2. Legal and Technical Aspects of the Investees

The Sub-Fund will carefully review all technical and legal aspects of the transaction process. The safety of this process depends on the type of Investee investment selected as well as on the terms and conditions agreed upon for the settlement of the transactions and the custody of the debt instruments.

3. Share Classes and Reference Currency

The reference currency of the Sub-Fund is USD.

At present, the below Classes are available for subscription in the Sub-Fund. All prices and amounts mentioned in the table below are given in the Reference Currency of the Sub-Fund but may be subscribed in the Alternative Currency at the applicable foreign exchange rate unless otherwise specified:

Class	Class P	Class I	Class N	Class H	Class D	Class S	Class F
Eligible investors	Unrestricted	Professional investors	Upon invitation by the External AIFM only	Upon invitation by the External AIFM only	Discretionary mandates ¹	Professional Investors	Unrestricted
Currency	Reference Currency and all Alternative Currencies						
Dividend policy	Distribution and Accumulation						
Initial subscription price	10,000	10,000	10,000	10,000	100	10,000	1
Minimum subscription investment ²	10,000	5,000,000	1,000,000	10,000	1,000,000	20,000,000	1 share
Minimum subsequent subscription investment	N/A	N/A	N/A	N/A	N/A	1,000,000	N/A

¹ Reserved for credit institutions or other financial sector professionals acting in their own name but on behalf of their clients pursuant to a discretionary management agreement.

² The minimum initial investment per investor may be reduced or waived by the Board of Directors. The Board of Directors have delegated this discretion to the External AIFM. For the purpose of assessing the minimum initial and subsequent investment in all above stated shares, holdings by the same investors through one or more depositaries or nominees may be aggregated.

Each of the Classes listed as per the above table may be made available with a combination of the below features and can be launched at any time at the discretion of the Board of Directors and the External AIFM under the current framework of this Prospectus. Such decision will not be published but the complete list of Classes for subscription is available on the website: www.blueorchard.com.

- Capitalisation share Classes do not pay any dividend but reinvest in principal all revenues and capital gains. They are identified by “CAP” or “Capitalisation” following the class name (e.g. I CAP, S Capitalisation)
- Distribution share Classes make periodic distributions (yearly or more frequently as deemed appropriate by the Board of Directors), as decided by the Shareholders upon proposal of the Board of Directors, and are identified by “DIS” or “Distribution” following the class name (e.g. I DIS, S Distribution). In addition, the Board of Directors may declare interim dividends.
- Hedged share Classes are quoted in a currency other than the Sub-Fund’s Reference Currency and hedged against the Sub-Fund’s Reference Currency. These share classes are identified by “H” or “Hedged” in the class name. (e.g. I CAP EUR H, S DIS CHF Hedged)

- All Classes may be issued in the Reference Currency or in an Alternative Currency as per the list of currencies disclosed above in the Glossary.

4. Valuation Day

In respect of all Classes, except Class D Shares, the last Business Day of each month.

In respect of Class D Shares, the 15th day of each month (or the next following Business Day) and the last Business Day of each month.

5. Subscriptions, Redemptions and Conversions

5.1 Subscriptions

The provisions of Part 1, section 13.2 “Issue of Shares” fully apply to the subscription of Shares in the Sub-Fund.

The Subscription Price may be increased by a sales charge of up to a maximum of 4% which shall revert to the relevant sales agent.

Application forms for subscription of Shares in the Sub-Fund on any Valuation Day must be received in Luxembourg at the registered office of the Administrative Agent not later than 05.00 p.m. Luxembourg time, on the Business Day preceding the relevant Valuation Day. Applications received after such cut-off time on such Business Day will be processed in respect of the next Valuation Day.

The Subscription Price must have been received by the Sub-Fund within seven (7) Business Days of the relevant Valuation Day (T+7).

5.2 Redemptions

The provisions of Part 1, section 13.4 “Redemption of Shares” fully apply to the redemption of Shares in the Sub-Fund.

No redemption charge will be levied on the Redemption Price for all Classes, except Class S Shares. With respect to Class S Shares, a redemption charge of 1.5% of the NAV per Share will apply, unless the relevant redemption request is below 5% of the latest NAV of the Sub-Fund at the time of the redemption request, in which case, no redemption charge will apply.

With respect to **Class P, Class N, Class H and Class F**, applications for redemption on any Valuation Day must be received in Luxembourg at the registered office of the Administrative Agent not later than 05.00 p.m., Luxembourg time, on the thirtieth (30th) calendar day preceding that Valuation Day (or, if such day is not a Business Day, on the previous Business Day).

With respect to **Class I Shares**, applications for redemption on any Valuation Day must be received in Luxembourg at the registered office of the Administrative Agent not later than 05.00 p.m., Luxembourg time, on the ninetieth (90th) calendar day preceding that Valuation Day (or, if such day is not a Business Day, on the previous Business Day)..

With respect to **Class S Shares**, applications for redemption on any Valuation Day must be received in Luxembourg at the registered office of the Administrative Agent not later than 05.00 p.m., Luxembourg time, on the one hundred and eightieth (180th) calendar day preceding that Valuation Day (or, if such day is not a Business Day, on the previous Business Day).

With respect to **Class D Shares**:

1. applications for redemption as of the last Business Day of each month without any restrictions must be received in Luxembourg at the registered office of the Administrative Agent not later than 05.00 p.m., Luxembourg time, on the thirtieth (30th) calendar day preceding that Valuation Day (or, if such day is not a Business Day, on the previous Business Day); and
2. restricted applications for redemption as of the 15th day of each month (or the next following Business Day) or the last Business Day of each month must be received in Luxembourg at the registered office of the Administrative Agent not later than 05.00 p.m., Luxembourg time, on the fifth (5th) calendar day preceding that Valuation Day (or, if such day is not a Business Day, on the previous Business Day).

Applications received after such cut-off time on such Business Day will be processed in respect of the next Valuation Day.

In respect of redemptions under 2. above that will benefit from the 5 calendar days' notice, the Individual Redemption Threshold is 0.5%. **Individual Redemption Threshold** means the maximum percentage of Shares (calculated as the percentage that the NAV of the Shares to be redeemed represent compared to the Sub-Fund's NAV) that each Shareholder in Class D may redeem on any Valuation Day subject to the 5 calendar days' notice.

In respect of credit institutions or other financial sector professionals acting in their own name but on behalf of several clients on a pooled basis, the Individual Redemption Threshold applies at the level of each credit institution or other financial sector professional.

In the event that a redemption request submitted by a Shareholder in accordance with item 2. above exceeds the Individual Redemption Threshold, then the External AIFM will reduce redemptions up to the Individual Redemption Threshold. Redemption amounts that are not fully satisfied on a Valuation Day due to the Individual Redemption Threshold will be automatically carried forward to the Valuation Day that would be the applicable Valuation Day if the thirty day notice period under 1. above is applied.

5.3 Conversions

Shareholders have the right to convert all or part of their Shares of any Share Class of a Sub-Fund into Shares of another Share Class within the Fund.

Conversions within the Fund are permitted provided that the Shareholder satisfies the eligibility requirements and minimum holding amounts set out in section "Share Class and Reference Currency" above. As tax laws may differ from country to country, shareholders should consult their tax advisers as to the tax implications of conversions

Conversions within a Class of Shares are allowed.

The cut-off times for conversions will be as follows:

- in case of conversion from a Class with a redemption period equal to, or shorter than, the redemption period of the Class into which the Shares will be converted, the cut-off time will be the subscription cut-off time of the latter Class; and
- in case of conversion from a Class with a redemption which is longer than the redemption period of the Class into which the Shares will be converted, the cut-off time will be the redemption cut-off time of the first Class.

The provisions of Part 1, section 13.3 “Conversion of Shares” fully apply to the conversion of Shares in the Sub-Fund.

No conversion charge will be levied on conversion of Shares.

Application for conversion of Shares in the Sub-Fund must be received in Luxembourg at the registered office of the Administrative Agent.

6. Fees

6.1 Fees of the External AIFM and the Portfolio Manager

In consideration of the external AIFM services rendered to the Sub-Fund, the External AIFM will receive an external AIFM fee, payable monthly in arrears, amounting to:

- a maximum of 2.00% of the NAV for Class P Shares, Class H Shares, Class F Shares and Class D Shares;
- a maximum of 1.50% of the NAV for Class N Shares;
- a maximum of 1.40% of the NAV for Class I Shares and Class S Shares.

In consideration of the investment management services rendered to the Sub-Fund, BOF will receive an investment management fee, payable monthly in arrears out of the remuneration of the External AIFM, as agreed between BOF and the External AIFM from time to time.

In consideration of the hedging services rendered to the Sub-Fund, Credit Suisse will receive a fee, payable monthly in arrears, amounting to a maximum of 0.08% per annum of the NAV of the hedged Class.

6.2 Fees of the Depositary and Administrative Agent

The Depositary and Administrative Agent is entitled to receive a fee payable at rates agreed from time to time with the Company which are based on the net assets of the Sub-Fund or the value of securities held or determined as a fixed sum. Annual fees of the Depositary will vary from 0.03% of the net asset value to a maximum of 0.07% of the net asset value of the Sub-Fund subject to a minimum fee of EUR 50,000 p.a. Annual fees of the Administrative Agent will vary from 0.01% of the net asset value to a maximum of 0.05% of the net asset value of the Sub-Fund subject to a minimum fee of EUR 35,000 p.a. These fees are payable on a quarterly basis and do not include any transaction related fees and costs of sub-custodians or similar agents. The Depositary and Administrative Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees.

The amount paid by the Company to the Depository and Administrative Agent will be mentioned in the annual report of the Company.

7. Protection of Shareholders

With respect to the protection of Shareholders in case of Net Asset Value calculation error, the Company complies with the principles and rules set out in CSSF circular 02/77 of 27 November 2002 and the tolerance threshold applicable for the Net Asset Value calculation error will be 0.5%.

8. Specific risk factors

Investors should refer to the risk factors set out in Section 9.1 of Part 1 and are in particular invited to consider the following risk factors:

- Redemption notice periods may vary from Class to Class and this may have adverse consequences in case of exceptional market circumstances. There is no assurance that the liquidity of the investments will always be sufficient to meet redemption request as and when made. Therefore, Shareholders of Class I Shares and Class S Shares should be aware that, in case of exceptional market circumstances and potential illiquidity of the portfolio of the Sub-Fund, they will only be able to redeem their Shares later than the Shareholders of Class P Shares, Class D shares, Class F Shares and Class N Shares.
- Liquidity risk
- Political and other macro risks
- External factors and taxation
- Credit risk
- Risk of default
- Market risk
- Changes in applicable law

APPENDIX II – Specific disclosure requirements in respect of Dutch investors

Further information

In addition to other information referred to in this Prospectus, the External AIFM will on the External AIFM's website <http://www.blueorchard.com/> keep available the following documents and information:

- (i) the Articles;
- (ii) the Prospectus;
- (iii) the KIID;
- (iv) the CSSF license of the External AIFM;
- (v) the annual report of the External AIFM;
- (vi) the semi-annual reports of the Company;
- (vii) any amendment that the Board intends to make to the Prospectus or the Articles;
- (viii) information in relation to inter alia the payment of dividends, composition of dividends as well as the manner how dividends will be paid; and
- (ix) information regarding the circumstances and manner in which Shareholders are compensated for incorrectly calculated NAV (ie, the maximum deviation percentage with respect to the correctly calculated NAV to be compensated, etc.).

All documents and information in respect of the Company, the Company's operations and the External AIFM published on the External AIFM's website are also available for inspection at the registered office of the External AIFM where copies can be obtained at cost price.

All document and information in respect of the Company, the External AIFM and the Depositary, that are published in the Luxembourg Official Gazette under applicable laws and regulations can be obtained at cost price.

A summary of the remuneration policy, including a description of the key remuneration elements and an overview of how remuneration is determined, is available on the External AIFM's website <https://www.blueorchard.com/dutch-investor/> . A paper copy of the summarised remuneration policy is available free of charge to the Shareholders upon request.

Meetings of Shareholders

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund) shall be mailed to each registered Dutch Shareholder at least fifteen days prior to the meeting and will be published on the External AIFM's website.

Details concerning the Net Asset Value

The External AIFM will after each Valuation Day and without delay publish the following information on the External AIFM's website:

- (i) the total value of the investments;
- (ii) an overview of the composition of the investments;
- (iii) the number of outstanding Shares; and
- (iv) the Net Asset Value per Share as per such Valuation Day

Redemption of Shares

At the request of the Shareholders, the Company will redeem the Shares directly or indirectly at the expense of the assets or will repay the value of the Shares, subject to and in accordance with Part 1, section 13.4 "Redemption of Shares".

List of investment funds managed by the External AIFM

A list of the investment funds managed by the External AIFM is available on the website of the External AIFM, <http://www.blueorchard.com/dutch-investors>. Such list may be updated from time to time.

Statement from the External AIFM

The External AIFM declares that it, the Depositary and the Company abide by the rules of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) to the extent applicable and that the Prospectus corresponds to such rules, to the extent applicable, for distribution of Shares to Dutch investors.

Appendix III
The SFDR Annex