



YCAP Credit Fundamental
Fonds Commun de Placement

Prospectus
Dated January 2017

INTRODUCTION

YCAP Credit Fundamental (hereinafter also referred to as the "**Fund**") is a mutual investment fund, qualifying as a "*fonds commun de placement*" ("**FCP**") with one or more Sub-funds (each a "**Sub-fund**" and together the "**Sub-funds**") under the laws of the Grand Duchy of Luxembourg, which envisages to invest in a diversified range of Transferable Securities and/or other liquid financial assets permitted by law, in conformity to the investment policy of each particular Sub-fund.

The Fund is an undertaking for collective investment in transferable securities (a "**UCITS**") for the purpose of the Council Directive 2009/65/CE, as amended ("**UCITS Directive**"). The Fund is registered in the Grand Duchy of Luxembourg pursuant to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (the "**UCI Law**"). However, such registration does not imply a positive assessment by the Luxembourg supervisory authority of the content of the current prospectus (the "**Prospectus**") or of the quality of the units of the Fund (the "**Units**") offered for sale. Any representation to the contrary is unauthorised and unlawful.

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

The Units may not be offered or sold (i) in the United States; or (ii) to US Persons that are Specified US Persons and to (iii) non-US entities that are qualifying as Prohibited Persons as defined herein.

The distribution of this Prospectus and the offering of the Units may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to subscribe for Units pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Potential Subscribers or purchasers of Units should inform themselves as to the possible tax consequences, the legal requirements and any 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, conversion or sale of Units.

Any information not mentioned in this Prospectus should be regarded as unauthorised. The information contained in this Prospectus is considered to be accurate at the date of its publication. To reflect material changes, this Prospectus may be updated from time to time and potential Subscribers should enquire of the management company of the Fund (the "**Management Company**") as to the issue of any later prospectus.

The board of the Management Company (the "**Management Company Board**") is held responsible for the information contained in this Prospectus and has taken all reasonable care to ensure that at the date of this Prospectus the information contained herein is accurate and complete in all material respects. The Directors accept responsibility accordingly.

Subscriptions for Units can be accepted only on the basis of the current Prospectus. The Management Company will produce an annual report (the "**Annual Report**") containing the audited accounts and semi-annual reports (the "**Semi-annual Reports**"). Following the

publication of the first of either report, the current Prospectus at that date shall be valid only if accompanied by such Annual Report or Semi-annual Report.

The Management Company Board reserves the right to apply in the future for listing the Units on the Luxembourg Stock Exchange or any other securities exchanges.

Any reference to "EUR" or "Euro" in the Prospectus refers to the lawful currency of the European Union Member States which adopted the Euro.

IMPORTANT INFORMATION

If you are in any doubt about the content of this Prospectus and KII, you should consult your stockbroker, solicitor, accountant or other financial advisor. No person is authorised to give any information other than that contained in this Prospectus and KII, or any of the documents referred to herein that are available for public inspection at the registered office. The Prospectus may be delivered in durable medium or by means of a website. A hard copy shall, in any case, be supplied to investors on request and free of charge.

The value of Units may go down as well as up. The Fund is obliged to redeem Unitholders' Units at the relevant redemption price, which may be different from the price at which the Units were acquired by the Unitholders.

DATA PROTECTION

The Fund, the Management Company and other service providers collect, store, and process by electronic or other means the data supplied by Subscribers at the time of their subscription for the purpose of fulfilling the services required by the Subscriber and complying with their respective legal obligations.

The Subscriber may, at his/her/its discretion, refuse to communicate the personal data to the Management Company or the relevant service provider(s). In this case, however, the Management Company or the relevant service provider(s), as the case may be, may, in their sole discretion, reject his/her/its request for subscription of Units.

In particular, the data supplied by Subscribers is processed for the purpose of (i) maintaining the register of Unitholders, (ii) processing subscriptions, redemptions and conversion of Units and payments of dividends to Unitholders, (iii) performing controls on late trading and market timing practices and (iv) complying with applicable anti-money laundering rules.

The Management Company, as the case may be, can delegate to one or more other entity(ies) (such as the Central Administration, the paying agent and the promoter), the processors, located in the European Union, processing the personal data.

Each Subscriber has a right to access his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate and/or incomplete. In relation thereto, each Subscriber has the right to ask for a rectification by a letter addressed to the Management Company.

Each Subscriber has a right of opposition regarding the use of its personal data for marketing

purposes. This opposition can be made by a letter addressed to the Management Company.

Data protection for FATCA purposes:

Under the FATCA Law (as defined below), the Fund qualifies as a Restricted Fund; therefore, no annual reporting is required to be performed by the Fund on investors under the FATCA Law.

Nevertheless, the FATCA Law specifically determines that for its application, the Fund is considered as a data controller within the meaning of the Luxembourg Law of 2 August 2002 relating to the protection of persons in respect of the treatment of personal data, and contains certain specific provisions in respect of data protection.

In application of the Luxembourg IGA, as transposed into Luxembourg legislation through the FATCA Law, the Fund will process the following personal data regarding investors (and Controlling Persons of certain entities) to identify whether the investors are considered as Prohibited Persons or not:

1. Name;
2. Address;
3. U.S. Tax Identification Number (U.S. TIN);
4. Date of birth, in the temporary absence of a U.S. TIN;
5. Account number (or functional equivalent in the absence of an account number);
6. Account balance or value at year-end.

Relevant data will not be stored by the Fund for any period longer than necessary for the purposes of application of the FATCA Law or any other applicable statute of limitation.

Investors (and Controlling Persons of certain entities) have a right of access to and correction of the above-mentioned data obtained and maintained by the Fund. To exercise this right of access and correction, the persons concerned should contact the Transfer Agent.

To be noted that if an investor is considered as a Prohibited Person, no subscription to Fund units will be allowed. Should an investor become a Prohibited Person, the Fund will force the redemption of the Units held by such investor immediately, and will notify the investors accordingly.

Under the FATCA Law, the Unitholders are obliged to provide any additional information that gives rise or might give rise to a change of their FATCA status. Failure to do so may give rise to forced redemption of the Units held by such investor as well.

To be noted that if an investor subscribes in the Fund through a distributor that is not acting as a nominee, the Fund will request the FATCA classification to the investors. However, if the distributor is acting as a nominee, the distributor will be responsible to classify the relevant investors for FATCA purposes. Furthermore, the distributor must notify the Fund in case of a change in the distributor's FATCA status within 90 days of the change.

Data protection for CRS purposes:

According to the CRS Law (as defined below), the Fund is required to provide the information foreseen in the CRS Law to the Luxembourg Tax Authorities.

The investors may neither object nor invoke the liability of the Fund in this regard.

In application of the CRS Law, the Fund will obtain, maintain and process the following personal data regarding Investors that are tax residents of a Reportable Jurisdiction or Non-Reportable Jurisdiction (and data categories 1-5 regarding controlling persons of entities that are Passive NFE), within the meaning of the CRS Law:

1. Name;
2. Address;
3. Jurisdiction(s) of (tax) residence;
4. Tax Identification Number (TIN);
5. Date and place of birth;
6. Account number (or functional equivalent in the absence of an account number);
7. Account balance or value at year-end;
8. The total gross amount of dividends, interest, and other income generated with respect to the assets held in the account (as well as any gross amounts paid or credited with respect to which the Bank is obligor or debtor, including the aggregate of any redemption payments); and
9. The total amount of gross proceeds from the sale or redemption of financial assets paid or credited to the account.

In accordance with the CRS Law, the Fund will, relating to investors that are tax resident of a Reportable Jurisdiction, exchange this information with the Luxembourg tax authorities annually by 30 June of the following year at the latest. The latter will exchange the same information with the relevant foreign tax authorities where the investor concerned (or Controlling Person) is tax resident or is, under certain circumstances, deemed to be tax resident.

In respect of Controlling Persons of certain Investor-entities (qualifying or deemed to qualify as Passive NFE), the above-mentioned personal data elements 1-5 will be collected and stored by the Fund. In respect of such Controlling Persons that are tax resident in a Reportable Jurisdiction, under the CRS Law, this information will be reported to the Luxembourg tax authorities, which will exchange this information with the foreign authorities where the Controlling Person is tax resident, together with the above-mentioned data elements 6-9 relating to the account of the investor-entity controlled by the(se) Controlling Person(s).

If the investor (or the Controlling Person of a Passive NFE) has multiple tax residences, then the information may be shared with multiple associated tax authorities for CRS purposes.

Under the Data Protection and Luxembourg legislation, the investors and Controlling Persons mentioned above have a right to access the information and collected and maintained by the Fund, and/or reported to the Luxembourg tax authorities, and, as the case may be, a right to rectify this information. The investor is obliged to provide any additional information that the Fund may request for complying with the CRS Law. Failure to do so within the prescribed timeframe may give rise to an annual reporting as to the account and the above-mentioned personal data, towards

the Luxembourg tax authorities (who will exchange this information with the relevant foreign tax authorities).

EMIR

The obligations set out in EMIR apply to UCITS as financial counterparties. EMIR lays down inter alia:

- The obligation for all financial and non-financial counterparties exceeding the clearing threshold to clear all OTC derivative contracts pertaining to a class of OTC derivatives subject to the clearing obligation in an authorised or recognised central counterparty (CCP);
- The reporting obligation for all OTC derivatives to a trade repository;
- Requirements for risk-mitigation techniques for contracts not cleared by a CCP;
- Common organisational standards and conduct of business and prudential rules for CCPs; and
- Organisational standards and conduct of business rules for trade repositories.

The Management Company implements the required procedures to ensure that the Fund complies with EMIR notably, but without limitation to, in the context of OTC derivatives transactions.

Regulation (EU) 2015/2365

Regulation (EU) 2015/2365 lays down rules on the transparency of securities financing transactions (SFTs) and of reuse. In accordance with the Regulation, SFTs include repurchase transaction, securities or commodities lending and securities or commodities borrowing, buy-sell back transaction or sell-buy back transaction and margin lending transaction. The definition of SFT does not include derivative contracts. However, it includes total return swaps which have effects equivalent to SFTs.

The Fund will not use enter into SFTs or reuse. Should the above change in the future, the Fund will amend accordingly the Prospectus. The Management Company implements the required procedures to ensure that the Fund complies with Regulation (EU) 2015/2365.

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1. DEFINITIONS

"**Annual Reports**" means the annual reports of the Fund.

"**Application Form**" means the application form indicating a Subscriber's subscription for Units.

"**Auditor**" means the auditor of the Fund qualifying as an independent auditor ("*réviseur d'entreprises agréé*").

"**Business Day**" means any full working day in Luxembourg and London when the banks are open for business.

"**Categories**" means the sub-divisions of the Classes.

"**Central Administration**" means the agent who acts as a central administration, listing agency and registrar and transfer agency of the Fund.

"**Class**" or "**Classes**" means one or more classes of Units of a Sub-fund.

"**Controlling Person(s)**" means the natural person(s) who exercise control over an entity. This term shall be interpreted in a manner consistent with the FATCA and CRS Laws.

"**Conversion Commission**" means the conversion commission specified for each Sub-fund in Appendix C.

"**CRS**" means Common Reporting Standard.

"**CRS Law**" means the Luxembourg Law dated 18 December 2015 transposing the EU Directive 2014/107/EU of 9/12/2014 as regards mandatory automatic exchange of information in the field of taxation.

"**CSSF**" means the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory commission of the financial sector, or any successor authority from time to time.

"**Custodian**" means an agent that has been appointed as custodian of the Fund.

"**Directors**" means a member of the Management Company Board.

"**Distributor**" means a FATCA compliant distributor the Management Company may decide to appoint for the purpose of assisting in the distribution of the Units of the Fund in the countries in which they are marketed.

"**EMIR**" means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) and the related Commission Delegated Regulation (EU) No 149/2013.

"**Euro**" or "**EUR**" means the lawful currency of the European Union Member States which have adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

"**FATCA**" means U.S. Foreign Account Tax Compliance Act.

"**FATCA Law**" means the Luxembourg Law dated 24 July 2015 transposing the Luxembourg IGA.

"**FFI**" means foreign Financial Institution(s).

"**Financial Account**" means an account that is maintained by a Financial Institution and includes any equity or debt interest in the Financial Institution.

"**Financial Institution**" means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company, as these terms are defined in the FATCA Law or in the CRS Law.

"**FCP**" means "*fonds commun de placement*".

"**Financial Techniques and Instruments**" means the financial techniques and instruments as specified in Appendix B of this Prospectus.

"**Fund**" means YCAP Credit Fundamental.

"**IGA**" means the Intergovernmental Agreement, concluded between the USA and a partner jurisdiction in order to improve International Tax Compliance and with respect to the U.S. information reporting provisions commonly known as FATCA,

"**Identification Number**" means the personal identification number given to each Subscriber in accordance with Section 15.

"**Initial Price**" means the price for which the first subscriptions for the relevant Sub-fund have been accepted, as specified for each Sub-fund in Appendix C.

"**Institutional Investors**" means the institutional investors as such term is interpreted by the supervisory authority and any applicable laws and regulations from time to time in force in Luxembourg.

"**Investment Entity**" means, according to the FATCA Law and the CRS Law, any entity that conducts as a business (or is managed by an entity that conducts as business) one or more of the following activities or operations for or on behalf of a customer:

- Trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
- Individual and collective portfolio management; or
- Otherwise investing, administering, or managing funds or money on behalf of other persons.

"**Investment Manager**" means the investment manager appointed by the Management Company Board who purchases and sells securities and other eligible assets for and on behalf of the Fund.

"**Investment Powers and Restrictions**" means the investment powers and restrictions as specified in Appendix A.

"**IRS**" means the U.S. Internal Revenue Service.

"Key Investor Information" or **"KII"** means the key investor information of a Sub-fund and/or Class, as amended from time to time.

"Launch Date" has the meaning ascribed to this term in Section 4.

"Luxembourg IGA" means the IGA signed between the government of the United States of America and the government of the Grand Duchy of Luxembourg on 28 March 2014.

"Management Company Board" means the current composition of the board of directors of the Management Company.

"Management Company" means the management company of the Fund, Crestbridge Management Company S.A.

"Management Regulations" means the current management regulations of the Fund.

"Member State" means a member State of the European Union.

"Money Market Instruments" has the meaning ascribed to the term Short-Term Money Market Funds in the CESR's Guideline on a common definition of European money market funds.

"Net Asset Value" or **"NAV"** mean the net asset value of the Fund as determined in accordance with Section 22.

"NFE" or "NFFE" means (a) Non-Financial Entity(ies) or (a) Non-Financial Foreign Entity(ies).

"Non-Participating FFI" means a Financial Institution that is neither a participating FFI, nor a deemed compliant FFI, nor a Reporting Financial Institution, nor a Non-Reporting Financial Institution, nor an exempt Beneficial Owner under the FATCA Law, or legislation transposing an IGA or the US Regulations regarding FATCA. The definition includes a Luxembourg Financial Institution or other partner jurisdiction financial institution treated as a Non-Participating Financial Institution pursuant to subparagraph 2(b) of Article 5 of the Luxembourg IGA or the corresponding provision in an agreement between the United States and a Partner Jurisdiction. Pursuant to subparagraph 2(b) of Article 5 of the Luxembourg IGA, a Non-Participating Financial Institution is a Financial Institution that has not solved its non-compliance within a period of 18 months after notification of significant non-compliance is first provided.

"OECD" means the Organisation for Economic Cooperation and Development, an international organisation helping governments tackle the economic, social and governance challenges of a globalised economy.

"Other Denomination Currency" means any currency in which the Net Asset Value per Unit of one or more Sub-funds/Class(es) may be calculated in addition to the Reference Currency.

"Participating Jurisdiction" means a jurisdiction (i) with which an agreement is in place pursuant to which it will provide the CRS information and (ii) which is identified in the published list issued by Luxembourg.

"Passive NFFE" or **"Passive NFE"** means for FATCA purposes a Non-Financial Foreign Entity that is not (i) an active NFFE, or (ii) a withholding foreign partnership as defined in the FATCA Law. For CRS purposes, it means any Non-Financial Entity that is not (i) an Active NFE; or (ii) an Investment Entity that is not a Participating Jurisdiction Financial Institution.

"Prohibited Persons" means persons, firms, partnerships or corporate bodies that include but are not limited to U.S. Persons, Non-Participating FFIs and passive NFFEs with U.S. Controlling Persons as defined by the Management Company.

"Prospectus" means the current prospectus of the Fund.

"Redemption Commission" means the redemption commission specified for each Sub-fund in Appendix C.

"Redemption Currency" means the currency in which redemptions will be effected in accordance with Section 16.

"Redemption Price" means the price for the redemption of Units as determined in accordance with Section 21.

"Reference Currency" means the currency in which the Net Asset Value of each Sub-fund is denominated.

"Reporting Jurisdiction" means a jurisdiction (*i*) with which an agreement is in place pursuant to which there is an obligation in place to provide the information specified in the CRS Law and (*ii*) which is identified in the list published by the Grand Ducal Decree.

"Retail Investors" means the retail investors as such term is interpreted by the CSSF and any applicable laws and regulation from time to time in force in Luxembourg.

"Section" means a section in this Prospectus.

"Seed Investor" means an investor who subscribed for Units on the Initial Subscription Day or during the Initial Subscription Period as well as affiliated companies and other companies belonging to the same group who subscribe for Units at a later time.

"Semi-annual Reports" means the semi-annual reports of the Fund.

"Short-Term Money Market Funds" means those funds defined in the CESR Guidelines on a Common Definition of European Money Market Funds (Ref. CESR/10-049), as amended and/or replaced from time to time.

"Single Payment Subscription" means the single payment subscription as specified in Section 15.

"Specified U.S. Person" means U.S. Person, other than:

- (i) a corporation the stock of which is regularly traded on one or more established securities markets;
- (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);

- (iii) the United States or any wholly owned agency or instrumentality thereof;
- (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
- (v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
- (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code;
- (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
- (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64);
- (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
- (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code;
- (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
- (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or
- (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

"Sub-fund Conversion Deadline" means the deadline at which the application of conversion must be received by the Central Administration as specified in Appendix C for each Sub-fund.

"Sub-fund Redemption Deadline" means the redemption deadline of the relevant Sub-fund at which the application for redemption must be received by the Central Administration as specified in Appendix C for each Sub-fund.

"Sub-fund Subscription Deadline" means the subscription deadline of the Sub-fund at which the subscription must be received by the Central Administration as specified in Appendix C for each Sub-fund.

"Sub-fund" means any sub-fund of the Fund.

"Subscriber" means any person that signed and filed an Application Form with the Central Administration.

"Subscription Commission" means the commission on the Subscription Price which is determined for each Sub-fund in Appendix C.

"Subscription Currency" means the currency in which subscriptions have been received by the Fund in accordance with Section 15.

"Subscription Fee" means the fee payable by the investors in addition to the Subscription Price as determined for each Sub-fund in Appendix C.

"Subscription Price" means the subscription price of each Class of each Sub-fund on the Initial Subscription Day or during the Initial Subscription Period, as specified for each Sub-fund in Appendix C.

"Transferable Securities" shall mean:

- Shares in companies and other securities equivalent to shares in companies ("**shares**");
- Bonds and other forms of securitised debt ("**debt securities**");
- Any other negotiable securities, which carry the right to acquire any such transferable securities by subscription or exchange;

excluding the techniques and instruments referred to in Appendix B.

"UCI Law" means the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended and/or replaced from time to time.

"UCI" means undertakings for collective investments.

"UCITS" means undertakings for collective investment in Transferable Securities.

"UCITS-Directive" means the Council Directive 2009/65/EC as amended and/or replaced from time to time.

"UCITS V Regulation" means the Commission Delegated Regulation EU/2016/438 of 17 December 2015 supplementing the UCITS Directive with regard to obligations of depositaries.

"Unit" means a unit of a Sub-fund.

"Unitholder" means a holder of one or more Units.

"US Persons" means a U.S. citizen or resident individual, a partnership or a corporation organized in the United States or under the laws of the United States or any States thereof, a trust if (i) a court within the United States would have authority under applicable law to render orders or judgements concerning substantially all issues regarding administration of the trust, and (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This definition shall be interpreted in accordance with the U.S. Internal Revenue Code.

"Valuation Day" means the day on which the Net Asset Value per Unit of each Class in each Sub-fund is determined in accordance with Section 22.

3. **OVERVIEW**

FUND

YCAP Credit Fundamental

MANAGEMENT COMPANY

Crestbridge Management Company S.A.
9a, boulevard Prince Henri
L-1724 Luxembourg
Grand Duchy of Luxembourg

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Yves Cheret, Director

Daniela Klasén-Martin, Managing Director

Christopher Rupert Bennett, Director

Malcolm Graeme McArthur, Director

DAY-TO-DAY MANAGERS OF THE MANAGEMENT COMPANY

Daniela Klasén-Martin: responsible for financial control, capital monitoring, internal audit, accounting policies and procedures, investment policy, strategies and performance

Ludivine Nicolai: responsible for risk management, compliance monitoring and complaints handling, supervision of delegates (Distributors, Central Administration and registrar and transfer agent, Investment Manager).

INVESTMENT MANAGER

YCAP Asset Management (Europe)
6a, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

CUSTODIAN AND PAYING AGENT

Brown Brothers Harriman (Luxembourg) S.C.A.
80, route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

CENTRAL ADMINISTRATION, REGISTRAR AND TRANSFER AGENT

Brown Brothers Harriman (Luxembourg) S.C.A.
80, route d'Esch
L-1470 Luxembourg
Grand Duchy of Luxembourg

AUDITOR OF THE FUND

Deloitte Audit S.à r.l.
560, rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

AUDITOR OF THE MANAGEMENT COMPANY

Ernst & Young S.A.
7, rue Gabriel Lippmann
L-5365 Luxembourg
Grand Duchy of Luxembourg

4. THE FUND

General information:

The Fund is organised in and under the laws of the Grand Duchy of Luxembourg as a mutual investment fund (*fonds commun de placement*) with one or more separate Sub-fund(s) constituting each a separate portfolio of assets and liabilities. The net assets of the Fund have reached EUR 1,250,000.- within the first six months following its authorisation by the CSSF, and thereafter were not less than this amount.

The Fund is registered pursuant to Part I of the UCI Law. However such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-funds. Any representations to the contrary are unauthorised and unlawful.

FATCA status:

The Fund will comply with provisions of the FATCA Law and qualifies as a Restricted Fund under the FATCA Law. This FATCA status is applicable to all Sub-funds.

CRS status:

The Fund will comply with provisions of the CRS Law and qualifies as a Reporting FI under the CRS Law. This CRS status is applicable to all Sub-funds.

EMIR Status:

The Fund will comply with provisions of EMIR and qualifies as a financial counterparty under EMIR. This status is applicable to all Sub-funds.

Regulation (EU) 2015/2365 Status:

The Fund is within the scope of Regulation (EU) 2015/2365, which lay down rules on the transparency of securities financing transactions (SFTs). The Fund will not use / enter into SFTs or reuse. Should the above change in the future, the Fund will amend accordingly the Prospectus. The Management Company implements the required procedures to ensure that the Fund complies with Regulation (EU) 2015/2365) and of reuse and will comply with applicable provisions.

The Management Company:

The Fund is managed in the interest of its Unitholders by the Management Company, a public limited company (*société anonyme*) incorporated under the laws of Luxembourg and having its registered office in Luxembourg.

The assets of the Fund are separate from those of the Management Company and from those of other funds managed by the Management Company.

The Management Company manages the assets of the Fund in accordance with the Management Regulations which have been amended for the last time on 18 July 2013 and effective as of 5 August 2013. The amended Management Regulations are deposited with the *Registre de Commerce et des Sociétés Luxembourg* where they may be inspected and copies may be obtained.

In accordance with the Management Regulations, the Management Company Board may issue Units in each Sub-fund. A separate pool of assets is maintained for each Sub-fund and is invested in accordance with the investment objectives applicable to the relevant Sub-fund. The net proceeds from the subscription to each Sub-fund are invested in the specific portfolio of assets constituting that Sub-fund. As a result, the Fund is an "umbrella fund" enabling Unitholders to choose between one or more investment objectives by investing in one or more Sub-fund(s). Unitholders may choose which Sub-fund(s) may be most appropriate for their specific risk and return expectations, as well as their diversification needs.

The Fund is one single entity; however, the right of Unitholders and creditors regarding a Sub-fund or raised by the constitution, operation or liquidation of a Sub-fund are limited to the assets of this Sub-fund, and the assets of a Sub-fund will be answerable exclusively for the rights of the Unitholders relating to this Sub-fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this Sub-fund. In the relations between the Unitholders, each Sub-fund is treated as a separate entity. The assets, commitments, charges and expenses that cannot be allocated to one specific Sub-fund will be charged to the different Sub-funds *pro rata* to their respective net assets, if appropriate due to the amounts considered.

The Management Company Board may, at any time, create additional Sub-fund(s). In that event the Prospectus will be updated accordingly.

5. THE OFFER

This is an offer to subscribe for Units issued without par value in the Fund, each Unit being linked to one of the Sub-funds. The details of each Sub-fund (including the investment policy and features of each Sub-fund) are specified in Appendix C.

On the initial subscription day (the "**Initial Subscription Day**") or during the initial subscription period (the "**Initial Subscription Period**") Units in each Sub-fund will be offered at the Initial Price. The Initial Price will be subject to the commissions detailed under the heading "Commissions". The Reference Currency of each Sub-Fund is the currency in which the Net Asset Value of each Sub-fund is denominated, as specified for each Sub-fund in Appendix C. The Management Company Board may however decide to calculate the Net Asset Value per Unit of one or more Sub-funds/Class(es) in addition to the Reference Currency in the Other Denomination Currency as further detailed for the respective Sub-funds/Classes in Appendix C. The NAV calculated in an Other Denomination Currency is the equivalent of the NAV in the Reference Currency of the Sub-fund converted at the prevailing exchange rate.

The launch of a Sub-fund takes place on the Initial Subscription Day or the last day of the Initial Subscription Period as specified for each Sub-fund in Appendix C (the "**Launch Date**"). If no subscriptions are accepted on this date, the Launch Date will be the next following Valuation Day on which the first subscriptions for the relevant Sub-fund will have been accepted at the Initial Price.

In addition, the Units may not be owned by any person who/which is a Prohibited Person.

6. **INVESTMENT OBJECTIVES AND POLICIES**

The main objective of the Fund is to seek capital appreciation by investing in a range of diversified Transferable Securities and/or other liquid financial assets permitted by law through the constitution of different professionally managed Sub-funds.

Each Sub-fund shall be managed in accordance with the Investment Powers and Restrictions and may use Financial Techniques and Instruments set forth in Appendices A and B of this Prospectus.

Under the conditions set forth in Luxembourg laws and regulations, the Management Company may, at any time it deems appropriate and to the widest extent permitted by applicable Luxembourg laws and regulations, but in accordance with the provisions set forth in this Prospectus, (i) create any Sub-fund qualifying either as a feeder UCITS or as a master UCITS, (ii) convert any existing Sub-fund into a feeder UCITS or (iii) change the master UCITS of any of its feeder UCITS Sub-funds.

The investment objective and policy of each Sub-fund are described in Appendix C.

7. **RISK MANAGEMENT, RISK FACTORS AND CONFLICT OF INTEREST**

7.1 Risk Management

The Management Company employs a risk-management process, in particular with regard to the CSSF circular 11/512, which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Sub-funds and it employs a process allowing for accurate and independent assessment of the value of OTC derivative instruments. The Management Company must furthermore communicate to the CSSF regularly and in accordance with the rules the CSSF shall define, the types of derivatives instruments, the underlying risks, the quantitative limits and the methods

which are chosen in order to estimate the risks associated with derivative instrument transactions.

7.2 Risk factors

7.2.1 General

Despite the possibility for the Management Company (or its delegates) to use option, futures and swap contracts and to enter into forward foreign exchange transactions with the aim to hedge exchange rate risks, all Sub-funds are subject to market or currency fluctuations, and to the risks inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

7.2.2 Exchange Rates

The Reference Currency of each Sub-fund is not necessarily the investment currency of the Sub-fund concerned. Investments are made in those currencies that best benefit the performance of the Sub-funds in the view of the Investment Manager.

Changes in foreign currency exchange rates may affect the value of Units held in the Sub-funds.

Unitholders investing in a Sub-fund other than in its Reference Currency should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

7.2.3 Interest Rates

The value of fixed income securities held by the Sub-funds generally will vary inversely with changes in interest rates and such variation may affect Unit prices accordingly.

7.2.4 Equity Securities

The value of a Sub-fund that invests in equity securities will be affected by changes in the stock markets and changes in the value of individual portfolio securities. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time. The equity securities of smaller companies are more sensitive to these changes than those of larger companies. This risk will affect the value of such Sub-Funds, which will fluctuate as the value of the underlying equity securities fluctuates.

7.2.5 Investments in other UCI and/or UCITS

The value of an investment represented by a UCI in which the Fund invests, may be affected by fluctuations in the currency of the country where such UCI invests, or by foreign exchange rules, the application of the various tax laws of the relevant countries, including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries.

Furthermore, it is to be noted that the Net Asset Value per Unit will fluctuate mainly in light of the Net Asset Value of the targeted UCIs.

7.2.6 Duplication of fees

There shall be duplication of management fees and other operating fund related expenses, each time the Fund invests in other UCIs and/or UCITS. The maximum level of management fees charged both to the Fund itself and to the UCIs and/or UCITS in which the Fund invests shall not exceed 5% of the relevant assets. The maximum percentage of management fees charged both to the Fund itself and to the UCIs and/or UCITS in which the Fund invests shall be disclosed in the Annual Reports. The Fund will not charge subscription or redemption fees with regard to investments in such other UCIs and/or UCITS.

7.2.7 Emerging Markets

Potential Unitholders should note that investments in emerging markets carry risks additional to those inherent in other investments. In particular, potential Unitholders should note that investment in any emerging market carries a higher risk than investment in a developed market; emerging markets may afford a lower level of legal protection to Unitholders; some countries may place controls on foreign ownership; and some countries may apply accounting standards and auditing practices which do not necessarily conform with internationally accepted accounting principles.

7.2.8 Options, Futures and Swaps/Risks with respect to the use of efficient portfolio management techniques

Each of the Sub-funds may use options, futures and swap contracts and enter into forward foreign exchange transactions to the extent allowed in Appendices A and B of this Prospectus. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets, in swap contracts and in foreign exchange transactions involves investment risks and transaction costs to which the Sub-funds would not be subject if they did not use these strategies. If the Sub-funds Investment Manager's predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Sub-fund may leave the Sub-fund in a less favourable position than if such strategies were not used.

Risks inherent in the use of options, foreign currency, swaps and futures contracts and options on futures contracts include, but are not limited to (a) dependence on the Investment Manager's ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any

particular instrument at any time; and (e) the possible inability of a Sub-fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for a Sub-fund to sell a portfolio security at a disadvantageous time.

Where a Sub-fund enters into swap transactions it is exposed to a potential counterparty risk. In case of an insolvency or default of the swap counterparty, such event would negatively affect the assets of the Sub-fund.

7.2.9 Warrants

With regard to investment in warrants Unitholders should note that the gearing effect of investment in warrants and the volatility of warrant prices make the risk attached to the investment in warrants higher than in the case with investment in equities.

Please see Appendix A of the Prospectus "Investment Powers and Restrictions" and Appendix B of the Prospectus "Financial Techniques and Instruments" for more information.

7.2.10 Market Risk

The value of the securities owned by a Sub-fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The value of a security may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

7.2.11 Small Cap Stock Risk

Stocks of small cap companies involve greater risk than those of larger, more established companies. This is because small cap companies may be in earlier stages of development, may be dependent on a small number of products or services, may lack substantial capital reserves and/or do not have proven track records. Small cap companies may be more adversely affected by poor economic or market conditions, and may be traded in low volumes, which may increase volatility and liquidity risks. From time to time, each of the Sub-funds that invest in small cap stocks may invest in the equity securities of very small cap companies, often referred to as "micro-cap" companies. For purposes of the Sub-funds, "micro-cap" companies are those with market capitalizations of \$300 million or less at the time of a Sub-fund's investment. The considerations noted above are generally intensified for these investments. Any convertible debentures

issued by small cap companies are likely to be lower-rated or non-rated securities, which generally involve more credit risk than debentures in the higher rating categories and generally include some speculative characteristics, including uncertainties or exposure to adverse business, financial or economic conditions that could lead to inadequate capacity to meet timely interest and principal payments.

7.2.12 Initial Public Offering ("**IPO**") Risk

A Sub-fund may participate in IPOs. IPOs are subject to high volatility and are of limited availability. A Sub-fund's ability to obtain allocations of IPOs is subject to allocation by members of the underwriting syndicate to various clients and allocation by the Investment Manager among its clients.

7.2.13 Private Placement Risk

A Sub-fund may invest in private placements. Investments in private placements may be difficult to sell at the time and at the price desired by a Sub-fund; companies making private placements may make less information available than publicly offered companies; and privately placed securities are more difficult to value than publicly traded securities. These factors may have a negative effect on the performance of a Sub-fund. Securities acquired through private placements are not registered for resale in the general securities market and may be classified as illiquid.

7.2.14 Liquidity Risk

Investments that trade less can be more difficult or more costly to buy, or to sell, than more liquid or active investments. It may not be possible to sell or otherwise dispose of illiquid securities both at the price and within a time period deemed desirable by a Sub-fund. Securities subject to liquidity risk in which a Sub-fund may invest include private placements, below investment grade securities and other securities without an established market.

7.2.15 Temporary Defensive Position

Each Sub-fund may significantly alter its make-up as a temporary defensive strategy. A defensive strategy will be employed only if, in the judgment of the Investment Manager, investments in a Sub-fund's usual markets or types of securities become decidedly unattractive because of current or anticipated adverse economic, financial, political and social factors. Generally, a Sub-fund will remain fully invested, and the Investment Manager will not attempt to time the market. When a Sub-fund is invested defensively, it may not meet temporarily its investment objective.

7.2.16 Portfolio Turnover

Each Sub-fund will adjust its portfolio as considered advisable in view of prevailing or anticipated market conditions and the Sub-fund's investment objective, and there is no limitation on the length of time securities must be held

by the Sub-Fund prior to being sold. Portfolio turnover rate will not be a limiting factor for a Sub-fund. Each Sub-fund's turnover rate will vary from year to year. Higher portfolio turnover rates involve correspondingly higher transaction costs, which are borne directly by a Sub-fund. In addition, a Sub-fund may realise significant short term and long-term capital gains.

7.2.17 Hedged Classes

With regard to Classes offered in a currency other than the Reference Currency of the relevant Sub-fund which are hedged against currency risk, Unitholders should note that the hedging strategy is designed to reduce, but not eliminate, exchange-rate risk. There is no guarantee that the exposure of the currency in which the Units are denominated can be fully hedged against the Reference Currency of the relevant Sub-fund. Unitholders should note that the hedging strategy is a passive investment strategy and is not intended for speculative purposes. The successful implementation of the hedging strategy may reduce the benefit of decreases in the value of their currency of investment in relation to the Reference Currency of the Fund.

7.2.18 Investment in Fixed Income or Other Debt Securities

All fixed income or other debt securities have the fundamental risk that the issuer may be unable to make interest payments or repay the capital. Generally, government securities offer the lowest credit risk, which is reflected in their lower yield. Corporate debt offers a higher yield due to its higher risk. However changes in economic and political outlook affects the value of such securities.

7.2.19 Investment in High Yielding Debt Securities

Due to the volatile nature of sub-investment grade assets and the corresponding risk of default, investors in Sub-funds which invest in high yielding debt securities must be able to accept significant temporary losses to their capital and the possibility of fluctuations in the income return level of the Sub-fund. The Investment Manager will endeavour to mitigate the risks associated with sub-investment grade securities, by diversifying its holdings by issuer, industry and credit quality.

7.2.20 Securities lending transactions

The Fund may lend the Sub-fund's portfolio securities to either first rate financial institutions specialised in this type of transaction or through a standardised system organised by a recognised clearing institutions. Although risks from such transactions are mitigated through collateral agreements, there is the risk that the stock borrower could default and hence negatively affect the NAV of the Units of the Sub-fund(s) concerned.

7.2.21 Risks specific to Credit Default Swaps

The risks specific to credit default swaps ("**CDS**") transactions are the following:

- counterparty risk, which is the risk that the counterparty of the credit default swaps transaction will default on its obligations. As protection buyer, the counterparty risk materialises only when a credit event occurs and if the protection seller would not be able to pay the protection buyer the face value of the contract. As protection seller the counterparty risk materialises if the protection buyer is not able to pay the periodic fees under the contract. The counterparty risk is however mitigated by the fact that each Sub-fund will only enter into CDS transactions with highly rated financial institutions specialised in this type of transaction as approved by the Investment Manager as derivative counterparty;
- credit risk, which is the risk carried by the protection seller that a credit event would occur in respect to the reference entity. In case of occurrence of a credit event, the capital loss for the protection seller might be substantial (and in case of a Sub-fund rise to a total loss of the Sub-fund's assets) as the protection seller would have to pay the face value of the contract to the protection buyer against being delivered by the protection buyer the obligations mentioned in the contract having a market value near to recovery rate;
- mark-to-market risk, which is the risk that a credit default swap investor runs by unwinding its position before the maturity of the contract. This risk is affected by the liquidity of the underlying contract. The lower the liquidity, the higher the unwinding costs; and
- settlement risk, which is the risk of the protection buyer to deliver the underlying issues not held by him when entering into the CDS transaction.

7.2.22 FATCA risk

Pursuant to FATCA, any FFI, including, but not limited to, banks and investment funds, either may have certain reporting obligations with respect to certain assets and income of Specified U.S. Persons (and Controlling Persons of certain entities, qualifying as Specified U.S. Persons) or may be required to withhold tax at the rate of 30 % on (i) certain U.S. source income (including, among other types of income, dividends and interests), and (ii) gross proceeds from the sale or disposition of U.S. assets of a type that produce dividends and interest, made to certain FFIs, that do not comply with FATCA, or to certain beneficiaries identified as recalcitrant account holders.

The Fund may (indirectly) suffer a 30% withholding tax on U.S. source income (and, effective 1 January 2019, on gross proceeds from the disposal of property that can give rise to U.S. source income) as defined for FATCA purposes derived from U.S. securities in case it would invest in U.S. securities through non-FATCA compliant intermediaries and this, even if the Fund has satisfied all its FATCA obligations under the FATCA Law.

Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the 30% withholding tax, no assurance can be given that the

Fund will be able to satisfy these obligations, in particular in respect of indirect sources of U.S. income. If the Fund becomes subject to a withholding tax as a result of FATCA, the value of the Units held by all Unitholders may be materially affected.

The Fund and/or its Unitholders may be indirectly affected by the fact that a non-U.S. financial entity does not comply with FATCA regulations even if the Fund satisfies its own FATCA obligations.

Additional risk factors may be described for each Sub-fund in Appendix C.

7.3 Conflicts of Interest

The Management Company is subject to the supervision of the CSSF. It has established a conflicts of interest policy in accordance with articles 109 and 111 of the UCI Law, articles 19 to 22 of the CSSF Regulation No.10-4 and CSSF Circular 12/546.

The Investment Manager is an investment firm governed by the law of 5 April 1993 on the financial sector, as amended, and subject to the supervision of the CSSF.

The Management Company and the Investment Manager are independent of each other and do not belong to the same group of companies. Each of the Management Company and the Investment Manager will manage any potential conflicts of interest in accordance with applicable Luxembourg laws and regulations.

8. MANAGEMENT OF THE FUND

8.1 General information

Crestbridge Management Company S.A., having its registered office at 9a, Boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, has been designated to serve as management company to the Fund in accordance with the provisions of the UCI Law.

Crestbridge Management Company S.A. has been incorporated on January, 31st 2011 as a *société anonyme* under Luxembourg law for an indeterminate period and is registered with the Luxembourg Trade Register (RCS) under number B 159 802. The articles of incorporation, as amended, have been deposited with the RCS and published on the February, 15th 2013 in the *Mémorial C, Recueil des Sociétés et Associations* ("Mémorial"), the official gazette of the Grand Duchy of Luxembourg.

The Management Company is approved as management company in accordance with chapter 15 of the UCI Law and CSSF Circular 12/546. The Management Company has a fully paid-up share capital of EUR 440,000.-.

The Management Company can be appointed in the future to act as management company for other funds. Such other funds will be mentioned in the financial reports of the Fund.

The Management Company shall have the exclusive authority with regard to any decisions in respect of the Fund or any Sub-funds. The Management Company will manage the

assets of the Fund or any Sub-fund in compliance with the Management Regulations in its own name, but for the sole benefit of the Unitholders.

In compliance with the provisions of chapter 15 of the UCI Law, CSSF Circulars 11/512 and 12/546, the effective conduct of the business of the Management Company has been granted to at least three (3) day-to-day managers.

8.2 Functions

In compliance with the provisions of chapter 15 of the UCI Law and with the Management Regulations, the Management Company provides the following services:

- Determination of the investment policy of each Sub-fund within the objectives and the restrictions set forth in the Management Regulations;
- Portfolio management of the Sub-funds;
- Central administration, including *inter alia*, the calculation of the Net Asset Value, the procedure of registration, conversion and redemption of the Units and the general administration of the Fund;
- General co-ordination, distribution of the Units of the Fund and marketing services.

In accordance with applicable laws and regulations, in compliance with the Management Regulations, the Management Company is empowered to delegate, under its control and responsibility, all or part of its duties and powers to any person or entity, which it may consider appropriate. It is being understood that the Prospectus shall the case being be amended accordingly.

For the time being the duties of portfolio management, distribution and central administration, which include the registrar and transfer agency duties have been delegated as further detailed here-below.

8.3 Remuneration Policy

The Management Company remuneration policy is consistent with and promotes sound and effective risk management of the Fund, does not encourage risk-taking and does not impair compliance with the best interest of the Fund, the rules of the Fund or its Management Regulations. The fixed component of the total remuneration of identified staff will always be larger than its variable component, the latter being always granted on a discretionary basis only. The remuneration policy will be reviewed annually and any change to it will be submitted to the approval of the Management Company Board. Considering the nature, scope and complexity of the Management Company's activities the proportionality principle has been applied. The remuneration rules are in line with the business strategy, objectives, values and interests of the Management Company, the Fund and its investors and include measures to avoid conflicts of interest. The remuneration rules implemented by the Management Company ensure that fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation

of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The assessment of performance of the Management Company staff is set yearly.

With regard to the Investment Manager; i.e. YCAP Asset Management (Europe) appointed under the Management Company delegation, the Management Company only delegates its functions to entities that are subject to regulatory requirements on remuneration that are equally as effective as those applicable to it. Compliance with regulatory requirements will be assessed by the Management Company through its oversight function; i.e. the Investment Manager remuneration policy set assessment of performance in a framework appropriate to the holding period recommended to the investors of the Fund to ensure that:

- the assessment concerns long term performance of the Fund;
- the assessment concerns the investment risks. An adjustment mechanism capable of integrating current and future risks is implemented in this respect;
- the actual payment of the components of the remuneration, which depend on the performance is made by instalments over the same period

The remuneration policy is available on the website of the Management Company at <http://www.crestbridge.com/documents/regulatory/>, and a paper copy will be made available free of charge upon request.

9. INVESTMENT MANAGER

For the definition of the investment policy and the management of each of the Sub-funds, the Management Company is assisted by one investment manager.

Pursuant to the investment management agreement dated 18 July 2013 and effective as of 5 August 2013, the Management Company has expressly delegated to YCAP Asset Management (Europe), 6a, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg (the "**Investment Manager**"), the discretion, on a daily basis but subject to the overall control and responsibility of the Management Company, to purchase and sell securities as agent for the Management Company and otherwise to manage the assets of the Sub-funds on behalf of the Fund. This agreement may be terminated by either party upon three months' prior written notice. The Management Company may terminate this agreement at any time with immediate effect when this is in the interest of the unitholders. The Investment Manager will receive a management fee as detailed for each Sub-fund in Appendix C.

For the avoidance of doubt, it will at all times be ensured that no investment decisions will be taken by the Management Company and that only the Investment Manager will take investment decisions for each of the Sub-Funds.

As of May 5, 2011, Luxembourg-based YCAP Holding S.A. acquired the former asset management business unit of LBBW Luxembourg via a carve-out. The whole asset management team of LBBW – currently consisting of five investment professionals – has been incorporated under YCAP Asset Management (Europe), a 100% subsidiary of YCAP Holding S.A. and forms the core of the new company. Approved by the CSSF, the Investment Manager has the status of a "Luxembourg Professional of the Financial Sector" ("**PFS**") in accordance with the law of 5 April 1993 on the financial sector, as amended.

The PFS status is the most regulated status after a banking license. The stated capital of the Investment Manager upon incorporation is EUR 1,000,000.- fully paid in cash, exceeding the legally required amount of EUR 135,000.-.

Against the described background, the Investment Manager looks back at a long-established experience for structured products and credit business. This experience, along with the expertise of the whole team, lays the groundwork for a fundamental, active and risk-sensitive management approach. The philosophy of the Investment Manager is characterised by the creation of value from credit on the basis of a fundamental approach. Development of tailor-made solutions, close relationship to its clients and transparency are the cornerstones of the teams acting. The Investment Manager sets a high value on transparency and traceability of its decisions. An open communication policy forms the basis for a trustful corporation. The Investment Manager's products and services lay claim to achieve a maximum of customer satisfaction. In this context the team is anxious to find individually tailored solutions.

The products and services of the Investment Manager are addressed to institutional investors: insurance companies and banks, corporate & public pensions, family offices, endowments and foundations, other capital markets participants. As of cut-off date, total assets under management of the Investment Manager amounted to EUR 520 million.

With the prior consent of the Management Company, the Investment Manager may, subject to the conditions contained in article 110 of UCI Law and regulatory approvals (if required), sub-delegate the performance of its functions to a regulated investment/asset management company of the YCAP Group or, to a third party. If functions are delegated to third parties the Prospectus has to be updated accordingly.

The Investment Manager may delegate investment advisory functions to one or more investment advisors in its sole discretion and without the prior approval of the Management Company. In such a case, the Investment Manager will notify such delegation to the Management Company for information purposes only. The Investment Manager will cover solely expenses related directly or indirectly to such delegation. The Investment Manager may, after receipt of an investment advice from an investment advisor to which investment advisory functions have been delegated, decide, but is not required, to act on that advice.

10. CUSTODIAN AND PAYING AGENT

Brown Brothers Harriman (Luxembourg) S.C.A., 80, route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg has been appointed to act as the Custodian of the Fund assets and as the Fund's paying agent, on the basis of an agreement of unlimited duration dated and effective as of 22 September 2016.

The Custodian has been entrusted with the custody of the Fund's assets and it shall fulfil the obligations and duties provided for by the UCI Law and other applicable Luxembourg regulations. All cash and securities constituting the assets of the Fund shall be held by the Custodian on behalf of the Unitholders. As Custodian, Brown Brothers Harriman (Luxembourg) S.C.A. has been entrusted in accordance with the UCI Law, the UCITS Directive and the UCITS V Regulation with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with applicable laws and regulations and the Management Regulations;
- ensuring that the value of the Units is calculated in accordance with applicable laws and regulations and the Management Regulations;
- carrying out the instructions of the Management Company unless they conflict with applicable laws and regulations or with the Management Regulations;
- ensuring that, in transactions involving the assets of the Fund, any consideration is remitted to the Fund within the usual time limits;
- ensuring that the income of the Fund is applied in accordance with applicable laws and regulations and the Management Regulations;
- monitoring properly the Fund's cash and cash flows. In particular, the Custodian shall ensure that all payments made by, or on behalf of, investors/Unitholders upon the subscription of Units have been received, and that all cash of the Fund has been duly booked; and
- safe-keeping of the Fund's assets, including providing a comprehensive inventory of the Fund's assets. In particular, assets that are capable of being held in custody should be differentiated from those that are not, to which record-keeping and ownership verification requirements apply. In application of the above, the safe-keeping duties of the Custodian include (i) regarding the assets that may be held in custody: holding the above assets in custody and ensuring that they are registered in the Custodian's books within segregated accounts and (ii) regarding other assets: verifying the ownership and maintaining a record of such assets.

Custodian's liability

In carrying out its duties the Custodian shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its Unitholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCI Law, the UCITS Directive, and in particular Article 18 of the UCITS V Regulation, the Custodian shall return financial instruments of identical type or the corresponding amount to the Fund without undue delay.

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

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

The Custodian will be liable to the Fund for all other losses suffered by the Fund as a result of the Custodian's negligent or intentional failure to properly fulfil its obligations pursuant to the UCI Law, the UCITS Directive and the UCITS V Regulation.

Delegation

The Custodian has full power to delegate the whole or any part of its safe-keeping functions provided that the tasks are not delegated with the intention of avoiding the requirements laid down in the UCI Law, the UCITS Directive and the UCITS V Regulation and the Custodian can demonstrate that there is an objective reason for the delegation. Notwithstanding the above, when delegating, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping functions.

The list of all of Subcustodians can be downloaded on the below link: <https://www.bbh.com/en-us/investor-services/custody-and-fund-services/depository-and-trustee/lux-subcustodian-list>.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Fund.

Conflicts of Interest

The Custodian has implemented the relevant checks and procedures to ensure that it is managed and organised in such a way as to minimise any potential conflicts of interest with the interest of the Fund /its Unitholders which shall be properly disclosed to Unitholders, the Custodian will establish, implement and maintain operational an effective conflicts of interest policy and a functional, hierarchical and contractual separation between the performance of its Custodian functions and the performance of other tasks.

This statement summarizes the policies and procedures implemented by the Custodian relating to the management of Conflicts of Interest (CoI). This statement is available to the Custodian's clients for disclosure in their relevant UCITS prospectuses.

The Custodian maintains comprehensive and detailed corporate policies and procedures requiring the Custodian to comply with applicable laws and regulations.

The Custodian has policies and procedures governing the management of CoI. These policies and procedures address CoIs that may arise through the provision of services to UCITS.

The Custodian's policies require that all material CoIs involving internal or external parties are promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, the Custodian shall maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps to properly (i) disclosing conflicts of interest to the UCITS and to, shareholders (ii) managing and monitoring such conflicts.

The Custodian ensures that employees are informed, trained and advised of CoI policies and procedures and that duties and responsibilities are segregated appropriately to prevent CoI issues.

Compliance with CoI policies and procedures is supervised and monitored by the Board of Managers as general partner of the Custodian and by the Custodian's Authorized

Management, as well as the Custodian's compliance, internal audit and risk management functions.

The Custodian shall take all reasonable steps to identify and mitigate potential CoIs. This includes implementing its CoI policies that are appropriate for the scale, complexity and nature of its business. This policy identifies the circumstances that give rise or may give rise to a CoI and includes the procedures to be followed and measures to be adopted in order to manage CoIs. A CoI register is maintained and monitored by the Custodian.

The Custodian also acts as administrative agent and/or registrar and transfer agent for the UCITS. The Custodian has implemented appropriate segregation of activities between the Custodian and the administration/ registrar and transfer agency services, including escalation processes and governance. In addition, the Custodian function is hierarchically and functionally segregated from the administration and registrar and transfer agency services business unit.

The Custodian may delegate to third parties the safe-keeping of the Fund's assets to correspondents (the "Correspondents") subject to the conditions laid down in the applicable laws and regulations and the provisions of the Custodian Agreement. In relation to the Correspondents, the Custodian has a process in place designed to select the highest quality third-party provider(s) in each market. The Custodian shall exercise due care and diligence in choosing and appointing each Correspondent so as to ensure that each Correspondent has and maintains the required expertise and competence. The Custodian shall also periodically assess whether Correspondents fulfill applicable legal and regulatory requirements and shall exercise ongoing supervision over each Correspondent to ensure that the obligations of the Correspondents continue to be appropriately discharged. The list of Correspondents relevant to the UCITS is available on the following link: <https://www.bbh.com/en-us/investor-services/custody-and-fund-services/depositary-and-trustee/lux-subcustodian-list>. This list may be updated from time to time and is available from the Custodian upon written request.

A potential risk of conflicts of interest may occur in situations where the Correspondents may enter into or have a separate commercial and/or business relationship with the Custodian in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Custodian and the Correspondent. Where a Correspondent shall have a group link with the Custodian, the Custodian undertakes to identify potential conflicts of interests arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Custodian does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any Correspondent. The Custodian will notify the Board of the UCITS and/or the Board of the Management Company of the relevant UCITS of any such conflict should it so arise.

To the extent that any other potential conflicts of interest exist pertaining to the Custodian, they have been identified, mitigated and addressed in accordance with the Custodian's policies and procedures.

Updated information on the Custodian's custody duties and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Custodian.

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

In the event of the Custodian's withdrawal or of its removal by the Management Company, the Management Company shall as soon as possible and in any case not later than two months after the termination has become effective, appoint a successor custodian who shall assume the responsibilities and functions of the Custodian under these Management Regulations. Until such appointment of a successor custodian, the Custodian shall take all necessary steps for the preservation of Unitholders' interests.

As paying agent, Brown Brothers Harriman (Luxembourg) S.C.A. is responsible for the payment of dividends (if any) to the Unitholders of the Fund.

11. **CENTRAL ADMINISTRATION, REGISTRAR AND TRANSFER AND LISTING AGENT**

Subject to its supervision, the Management Company has delegated its duties in relation to the central administration, listing agency and registrar and transfer agency of the Fund to Brown Brothers Harriman (Luxembourg) S.C.A., 80, route d'Esch, L-1470 Luxembourg (the "**Central Administration**").

As Central Administration agent, Brown Brothers Harriman (Luxembourg) S.C.A. is responsible for the procedure of registration, conversion and redemption of the Units, the calculation of the Net Asset Value and the general administration of the Fund.

12. **MANAGEMENT REGULATIONS**

By acquiring Units, every Unitholder approves and fully accepts that the Management Regulations shall govern the relationship between the Unitholders, the Management Company and the Custodian.

The Management Regulations may be amended by the Management Company at any time, in whole or in part with the approval of the Custodian. Amendments will become effective as per the date of their signature by the Management Company and the Custodian unless otherwise provided in the relevant document amending the Management Regulations.

While managing the assets of the Fund, the Management Company, or its appointed agents, shall, as provided in the Management Regulations, comply with the restrictions mentioned in Appendices A and B of the Prospectus.

13. **FORM OF UNITS**

All Units are issued in uncertificated registered form (the register of Unitholders is conclusive evidence of ownership).

The Units may be held in a settlement system represented by a global note. In this case, the Unitholders will directly or indirectly have their interests in the Units credited by book-entry in the accounts of the settlement system.

The Management Company treats the registered owner of a Unit as the absolute and beneficial owner thereof.

Units are freely transferable (with the exception that Units may not be transferred to a Prohibited Person or a US Person) and may be converted at any time for Units of another Sub-fund within the same Class. In addition, Units may be converted for Units of another Category within the same Class. For any conversion of Units, a conversion commission, as described under the heading "Commissions", may be charged. Upon issue, Units are entitled to participate equally in the profits and dividends of the Sub-fund attributable to the relevant Class in which the Units have been issued, as well as in the liquidation proceeds of such Sub-fund. The Management Company may restrict conversions as disclosed in this Prospectus.

Units do not carry any preferential or pre-emptive rights and each Unit, irrespective of the Class to which it belongs or its Net Asset Value. Units are issued without par value and must be fully paid for subscription.

No general meetings of Unitholder shall be held and no voting rights shall be attached to the Units.

Upon the death of a Unitholder, the Management Company reserves the right to require the provision of appropriate legal documentation in order to verify the rights of all and any successors in title to Units.

14. **ISSUE OF UNITS**

Units will be issued at a price based on the Net Asset Value per Unit of the relevant Class in the Reference Currency. Upon written instructions by the Unitholder, Units may also be issued in the Other Denomination Currency, if available.

Fractions of Units of up to three decimal places may be issued if provide for the relevant Sub-fund in Appendix C. In such case the Fund is entitled to receive the adjustment.

No Units of any Class will be issued by the Fund during any period in which the determination of the Net Asset Value of the Units of that Sub-fund is suspended by the Management Company, as noted under the heading "Temporary Suspension of Determination of Net Asset Value per Unit".

The Management Company may decide that for a particular Sub-fund no further Units will be issued after the initial subscription period or the Launch Date as further specified for the respective Sub-fund in Appendix C.

15. **CLASSES OF UNITS**

In respect of each Sub-fund, the Management Company may decide to issue one or more Classes, which may differ *inter alia* in the fee structure, the type of targeted investor, the

distribution policy, the currency applying to them and/or such other features as may be determined by the Management Company from time to time.

Certain Classes are available to Retail Investors while other Classes may be available only to Institutional Investors. These Classes may be sub-divided into accumulation of income or distribution of income Categories.

The Class(es) and their Categories for each Sub-fund are indicated in Appendix C.

Units of different Classes/Categories within each Sub-fund may be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Unit as detailed under the heading "Net Asset Value", within the relevant Sub-fund.

The currency in which the Classes are denominated may differ from the Reference Currency of a Sub-fund (as specified for each Sub-fund in Appendix C).

The amounts invested in the various Classes of each Sub-fund are themselves invested in a common underlying portfolio of investments. The Management Company may decide to create further Classes with different characteristics, and in such cases, this Prospectus will be updated accordingly.

16. **SUBSCRIPTION OF UNITS**

16.1 Subscription procedure

Subscription of the Units may be performed by means of a single payment as described below under the heading "Single Payment". Moreover, the Fund may issue Units as consideration for a contribution in kind of securities in compliance with the conditions set forth by Luxembourg law, in particular the obtention, if required by law or regulation on the Management Company, of a valuation report from an approved statutory auditor (*réviseur d'entreprises agréé*). The transaction costs incurred in connection with the acceptance by the Management Company of a contribution in kind will be borne directly by the incoming Unitholder.

The Management Company may restrict or prevent the ownership of Units in the Fund by any person, firm, partnership or corporate body, if in the sole opinion of the Management Company such holding may be detrimental to the interests of the existing Unitholders or of the Fund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the Fund may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred.

The Management Company restricts the ownership of Units to Persons not qualifying as Prohibited Persons for FATCA purposes.

The Fund opted for the Restricted Fund FATCA status. Regarding investors that were not a Prohibited Person at the time of the subscription for Units but if any of them becomes a Prohibited Person after the subscription, the Fund will proceed immediately to the compulsory redemption of their Units.

As the Fund is not registered under the United States Securities Act of 1933, as amended, and as the Fund has not been registered under the United States Investment Company Act

of 1940, as amended, its Units may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof (hereinafter referred to as "**US Persons**"). Accordingly, the Management Company may require any Subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person or a US Person.

As regards the Common Reporting Standard regime, the Fund will perform the automatic exchange of financial account information in tax matters as it qualifies for the Reporting FI status under this regime.

The Management Company retains the right to offer only one or several Classes for subscription in any particular jurisdiction in order to conform to local law, custom, business practice or the Fund's commercial objectives.

As soon as subscriptions are accepted, Subscribers will be given a personal account number (the "**Account Number**") on acceptance of their initial subscription, and this, together with the unitholder's personal details, is proof of their identity to the Fund. The Account Number should be used by the Unitholder for all future dealings with the paying agent acting on behalf of the Fund, correspondent bank or paying agent, the Central Administration and any Distributor appointed from time to time.

Any changes to the Unitholder's personal details that do not affect the FATCA status and any loss of Account Number must be notified immediately to the Central Administration in writing, signed by an authorised account signatory. Failure to do so may result in the delay of an application for redemption. The Management Company reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

As part of applying the FATCA Law, the Fund may ask the relevant Subscriber for any document or information it considers necessary to comply with the FATCA Law. Subscribers are specifically required to immediately report to the Fund any change of their FATCA status and data relevant in respect of their FATCA status. In case of failure of a Subscriber to provide the information or a change of FATCA status occurs having as an effect that an investor becomes a Prohibited Person, the Fund will request the compulsory redemption of its Units. The Fund is not responsible for transaction delays due to lack of provision or incomplete provision documents/information to be provided by the Subscriber.

As part of applying the CRS Law, the Fund may also ask the relevant Subscriber for any document or information it considers necessary to comply with the CRS Law. Subscribers are specifically required to immediately report to the Fund any change of their CRS status and data relevant in respect of their CRS status. In case of failure of a Subscriber to provide the information or a change of CRS status, the Fund may be obliged to report a Subscriber tax resident of a Reportable Jurisdiction (or Controlling Person tax resident of such jurisdiction) to one or several Reportable Jurisdictions and/or to start reporting such Subscriber or Controlling Person (who was previously a tax resident of a Non-Reportable jurisdiction) to such Reportable Jurisdiction(s).

Subscription instructions accompany this Prospectus and may also be obtained from the Central Administration or a Distributor.

16.1.1 Single payment

A Unitholder's first subscription for Units must be made by fax followed by the original signed written document to the Central Administration in Luxembourg or to a Distributor as indicated on the Application Form. Subsequent subscriptions for Units may be made in writing, by fax or by automated ways to the Central Administration or to a Distributor. The Management Company reserves the right to reject, in whole or in part, any subscription without giving any reason therefore.

The minimum initial investment for each Class of each Sub-fund is specified in Appendix C. The Management Company Board may, at its discretion, waive or modify such minimum limits.

Subscriptions for Units in any Sub-fund received by the Central Administration prior to such time on the Valuation Day before the relevant Sub-fund's Subscription Deadline, which is detailed for each Sub-fund in Appendix C, will be processed on that Valuation Day using the Net Asset Value per Unit determined on such Valuation Day.

Any subscriptions received by the Central Administration after this deadline will be processed on the next Valuation Day on the basis of the Net Asset Value per Unit determined on such Valuation Day.

The Management Company will however not accept any direct subscriptions via Internet.

16.2 Payment procedure

Payment for Units must be received by the Custodian no later than three Business Days (as defined under the heading "Net Asset Value") following the applicable Valuation Day (except specific payment procedure as detailed in Appendix C).

In the absence of specific instructions, the currency of payment for Units of each Class will be the Reference Currency. Upon written instructions by the Unitholder, the currency of payment for Units may also be the Other Denomination Currency, if available. In addition, a Subscriber may with the agreement of the Central Administration, effect payment in any other freely convertible currency. The Central Administration will arrange for any necessary currency transaction to convert the subscription monies from the Subscription Currency into the Reference Currency or the Other Denomination Currency (if available) of the relevant Sub-fund. Any such currency transaction will be effected with the Custodian at the Subscriber's cost and risk. Currency exchange transactions may delay any issue of Units since the Central Administration may choose at its option to delay executing any foreign exchange transaction until cleared funds have been received.

If timely payment for Units (as detailed under the heading "Subscription Procedure") is not made (or a completed Application Form is not received for an initial subscription), the

relevant issue of Units may be cancelled, and a Subscriber may be required to compensate the Fund and/or any relevant Distributor for any loss incurred in relation to such cancellation.

16.3 Notification of transaction

A trade confirmation will be sent to the Subscriber (or his nominated agent if so requested by the Subscriber) by fax, email or SWIFT as soon as reasonably practicable after the relevant Valuation Day, providing full details of the transaction.

Subscribers should always check this confirmation to ensure that the transaction has been accurately recorded.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned without delay to the Subscriber by bank transfer at the Subscriber's risk without any interest.

16.4 Rejection of subscriptions

The Management Company Board may, at any time and from time to time and in its absolute discretion without liability and without notice, discontinue the issue and sale of Units of any Class in any one or more Sub-funds.

16.5 Money laundering prevention and fight against the financing of terrorism

Pursuant to the Luxembourg law of 12 November 2004 relating to the fight against money-laundering and the financing of terrorism, as amended, and the circulars of the CSSF, obligations have been imposed *inter alia* on UCIs as well as on professionals of the financial sector to prevent the use of UCI for money laundering purposes. Within this context a procedure for the identification of Subscribers has been imposed. Namely, the Application form of a Subscriber must be accompanied, in the case of individuals, by a certified copy of the Subscriber's passport or identification card and, in the case of legal entities, by a certified copy of the Subscriber's articles of incorporation and, where applicable, an extract from the commercial register or a copy of such other documents as may be requested as verification of the identity and address of the individual or legal entity.

This identification procedure must be complied with by the Registrar and Transfer Agent (or the relevant competent agent of Registrar and Transfer Agent) in the case of direct subscriptions to the Management Company, and in the case of subscriptions received by the Management Company from any intermediary resident in a country that does not impose on such intermediary an obligation to identify Subscribers equivalent to that required under Luxembourg laws for the prevention of money laundering.

The Registrar and Transfer Agent may request any such additional documents, as it deems necessary to establish the identity of Subscribers or beneficial owners.

Any information provided to the Management Company in this context is collected for anti-money laundering compliance purposes only.

The Registrar and Transfer Agent will also collect any relevant information according to the FATCA and CRS Laws to ensure the FATCA and CRS identification. Investors are advised to consult their own tax advisor with respect to reporting obligations applicable regarding their investment, and for the determination of their FATCA and/or CRS status.

17. REDEMPTION OF UNITS

17.1 Procedure for Redemption

Unitholders wishing to have all or some of their Units redeemed by the Fund may apply to do so by fax or by letter to the Central Administration or to a Distributor.

The application for redemption of any Units must include:

- either (i) the monetary amount the Unitholder wishes to redeem after deduction of any applicable Redemption Commission; or (ii) the number of Units the Unitholder wishes to redeem, and
- the Class and Sub-funds from which such Units are to be redeemed.

In addition, the application of redemption should include the following, if applicable:

- instructions on whether the Unitholder wishes to redeem its Units at the Net Asset Value denominated in the Reference Currency or, if available, in the Other Denomination Currency, and
- the currency in which the Unitholder wishes to receive its redemption proceeds.

In addition, the application for redemption must include the Unitholder's personal details together with his Identification Number. Failure to provide any of the aforementioned information may result in delay of such application for redemption whilst verification is being sought from the Unitholder.

Applications for redemption must be duly signed by the relevant Unitholder, save in the case of jointly registered Unitholders where an acceptable power of attorney has been provided to the Management Company.

Applications for redemption from any Sub-fund received by the Central Administration on any Valuation Day before the relevant Sub-fund Redemption Deadline, which is determined for each Sub-fund in Appendix C will be processed on that Valuation Day using the Net Asset Value per Unit determined on such Valuation Day. Any applications for redemption received by the Central Administration after the Sub-fund Redemption Deadline will be processed on the next Valuation Day on the basis of the Net Asset Value per Unit determined on such Valuation Day.

Different time limits may apply if applications for redemption are made to a Distributor. In such cases, the Distributor will inform the Unitholder concerned of the redemption procedure relevant thereto, together with any time limit by which the application for redemption must be received. No Distributor is permitted to withhold redemption orders received to personally benefit from a price change. Unitholders should note that they

might be unable to redeem Units through a Distributor on days that such Distributor is not open for business.

The Management Company shall ensure that an appropriate level of liquidity is maintained in each Sub-fund so that, under normal circumstances, repurchase of Units of a Sub-fund may be made by the corresponding Valuation Day.

17.2 Payment procedure

Payment for Units redeemed will be effected no later than three Business Days after the relevant Valuation Day for all Sub-funds (except specific payment procedure as detailed in Appendix C), provided that all the documents necessary to the redemption have been received by the Central Administration and unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Custodian, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted.

In the absence of any specific instructions, redemptions will be effected in the Reference Currency of the relevant Sub-fund/Class. Unitholders may choose, in writing, at the time of giving the redemption instructions to receive the redemption proceeds in an Other Denomination Currency, if available, or (with the agreement of the Central Administration) in any other freely convertible currency. In the latter case, the Central Administration will arrange the currency transaction required for conversion of the redemption monies from the Reference Currency or Other Denomination Currency of the relevant Sub-fund/Class into the relevant Redemption Currency. Such currency transaction will be effected with the Custodian or a Distributor at the relevant Unitholder's cost.

On payment of the Redemption Price, the corresponding Units will be cancelled immediately in the Fund's Unitholder register. Any taxes, commissions and other fees incurred in the respective countries in which the Units are sold will be charged to the Unitholders.

In the context of determining unrealised capital gain/losses, the Management Company may authorise the Unitholders to simultaneously redeem and subscribe the same number of Units of a certain Class of a certain Sub-fund on the same Valuation Day. Such transactions shall be recorded on behalf of the relevant Class of the relevant Sub-fund as transactions with no cash transfer to or from the Unitholder but for which a compensation has occurred.

17.3 Notification of transaction

A confirmation statement will be sent by ordinary post to the Unitholder detailing the redemption proceeds due thereto as soon as reasonably practicable after determination of the Redemption Price of the Units being redeemed. Unitholders should check this statement to ensure that the transaction has been accurately recorded. The redemption proceeds will be net of any applicable Redemption Commission. In calculating the redemption proceeds, the Central Administration will round to two decimal places, the Fund being entitled to receive the adjustment.

In the event of an excessively large volume of applications for redemption, the Management Company may decide to delay execution of such applications until the corresponding assets of the Fund have been sold without unnecessary delay.

17.4 Compulsory redemption

If the Management Company discovers at any time that Units are owned by a US Person or a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly, the Management Company Board may at its discretion and without liability, compulsorily redeem the Units at the Redemption Price as described above after giving notice of at least ten days, and upon redemption, the US Person or the Prohibited Person will cease to be the owner of those Units. The Management Company may require any Unitholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Units is or will be a US Person or a Prohibited Person.

18. **CONVERSION OF UNITS**

18.1 Conversion procedure

Unitholders may convert all or part of their Units of one Sub-fund (the "**Original Sub-fund**") into Units of the same Class of one or more other Sub-funds (the "**New Sub-fund**") by application in writing or by fax to the Central Administration or to a Distributor, stating which Units are to be converted into which Sub-funds.

The application for conversion must include either the monetary amount the Unitholder wishes to convert or the number of Units the Unitholder wishes to convert. In addition, the application for conversion must include the Unitholder's personal details together with his Identification Number.

The application for conversion must be duly signed by the Unitholder, save in the case of joint Unitholders where an acceptable power of attorney has been provided to the Management Company.

Failure to provide any of this information may result in delay of the application for conversion.

Applications for conversions between any Sub-funds received by the Central Administration prior to such time preceding the Valuation Day before the relevant Sub-fund Conversion Deadline, which is determined for each Sub-fund in Appendix C, will be processed on that Valuation Day using the Net Asset Value per Unit determined on such Valuation Day (as described under the heading "Net Asset Value").

Different time limits may apply if applications for conversion are made to a Distributor. In such cases, the Distributor will inform the Unitholder of the conversion procedure relevant to that Unitholder, together with any time limit by which the application must be received. Unitholders should note that they might be unable to convert Units through a Distributor on days that such Distributor is not open for business.

Any applications for conversion received by the Central Administration after the Sub-fund Conversion Deadline on Business Day preceding the Valuation Day, or on any day

preceding the Valuation Day that is not a Business Day, will be processed on the next Valuation Day on the basis of the Net Asset Value per Unit determined on such Valuation Day.

The above described conversion procedure for the conversion of Units of a Sub-fund into Units of the same Class of one or more other Sub-funds is applicable *mutatis mutandis* for the conversion of Units of a Category (the "**Original Category**") of a Class of a Sub-fund into Units of another Category (the "**New Category**") of the same Class and Sub-fund. The same applies for the conversion of Units between different Classes of the same Sub-fund.

The rate at which all or part of the Units in respectively an Original Sub-fund or an Original Category are converted into Units in a New Sub-fund or in a New Category is determined in accordance with the following formula:

$$A = \frac{(B \times C \times D) \times (1 - E)}{F}$$

where:

- A is the number of Units to be allocated respectively in the New Sub-fund or in the New Category;
- B is the number of Units of respectively the Original Sub-fund or the Original Category to be converted;
- C is the Net Asset Value per Unit of the relevant Class of respectively the Original Sub-fund or the Original Category determined on the relevant Valuation Day;
- D is the actual rate of foreign exchange on the day concerned in respect of the Reference Currency of respectively the Original Sub-fund or the Original Category and the Reference Currency of respectively the New Sub-fund or the New Category, and is equal to 1 in relation to conversions between Sub-funds denominated in the same Reference Currency;
- E is the Conversion Commission percentage payable per Unit; and
- F is the Net Asset Value per Unit of the relevant Class of respectively the New Sub-fund or the New Category determined on the relevant Valuation Day, plus any taxes, commissions or other fees.

18.2 Notification of transaction

Following such conversion of Units, the Management Company will inform the Unitholder in question of the number of Units of the New Sub-fund or of the New Category obtained by conversion and the price thereof. Fractions of Units in the New Sub-fund or in the New Category to three decimal places will be issued, the Fund being entitled to receive the adjustment.

19. **TEMPORARY SUSPENSION OF SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS**

No Units will be issued by the Fund and the right of any Unitholder to require the redemption or conversion of its Units of the Fund will be suspended during any period in which the determination of the Net Asset Value of the relevant Sub-fund is suspended by the Management Company pursuant to the powers contained in the Management Regulations and as detailed under the heading "Temporary Suspension of Determination of Net Asset Value per Unit".

Notice of suspension will be given to Subscribers and to any Unitholder tendering Units for redemption or conversion. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written notification by letter or by fax is received by the Central Administration before termination of the period of suspension, failing which subscription, redemption and conversion applications not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Unit determined on such Valuation Day.

20. **LATE TRADING AND MARKET TIMING**

20.1 Late trading

The Fund determines the price of its Units on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Unit at which Units will be bought or sold (exclusive of any Subscription or Redemption Commission as defined hereafter). Subscription applications have to be received and will be accepted for each Sub-fund only in accordance with the Sub-fund Subscription Deadline.

20.2 Market timing

The Fund is not designed for Unitholders with short-term investment horizons. Activities which may adversely affect the interests of the Fund's Unitholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Fund as an excessive or short term trading vehicle are not permitted.

While recognising that Unitholders may have legitimate needs to adjust their investments from time to time, the Management Company in its discretion may, if it deems such activities adversely affect the interests of the Fund or the Unitholders, take action as appropriate to deter such activities.

Accordingly if the Management Company determines or suspect that a Unitholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Unitholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Fund and its Unitholders.

21. **PROCEDURE FOR SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS REPRESENTING 10% OR MORE OF THE ASSETS OF ANY SUB-FUND**

If any application for redemption or conversion is received in respect of any one Valuation Day, which either singly or when aggregated with other such applications so received, represents more than 10% of the net assets of any one Sub-fund, the Management

Company reserves the right, in its sole and absolute discretion and without liability (and in the reasonable opinion of the Management Company that to do so is in the best interests of the remaining Unitholders), to scale down *pro rata* each application with respect to such Valuation Day so that not more than 10% of the net assets of the relevant Sub-fund be redeemed or converted on such Valuation Day.

To the extent that any application for redemption or conversion is not given full effect on such Valuation Day by virtue of the exercise by the Management Company of its power to pro-rate applications, such application shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Unitholder in question in respect of the next Valuation Day and, if necessary, subsequent Valuation Days, until such application shall have been satisfied in full.

With respect to any application for redemption or conversion received in respect of such Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to such first Valuation Day, but subject thereto shall be dealt with as set out above.

22. **COMMISSIONS**

22.1 Subscription commission

The Subscription Price of each Class of each Sub-fund on the Initial Subscription Day or during the Initial Subscription Period will be equal to the Initial Price, plus a Subscription Commission which is determined for each Sub-fund in Appendix C. Thereafter, the Subscription Price of each Class of each Sub-fund will be equal to the Net Asset Value per Unit (as described under the heading "Subscription Procedure"). The balance of the subscription payment, after deduction of the applicable Subscription Commission, will be applied to the purchase of Units.

Any taxes, commissions and other fees incurred in the respective countries in which Units are sold will also be charged, if any, to the Unitholders.

22.2 Redemption commission

Units of any Class may be redeemed in whole or in part on the Business Day preceding the Valuation Day at the Redemption Price on the basis of the Net Asset Value per Unit determined on such Valuation Day less a Redemption Commission, which is determined for each Sub-fund in Appendix C. Where specifically provided in Appendix C for a specific Sub-fund, a Redemption Commission may be charged in favour of the relevant Sub-fund. Such Redemption Commission may, under certain circumstances and subject to the principle of equal treatment between Unitholders, be waived by the Management Company for all Unitholders redeeming their Units on the same Valuation Day.

22.3 Conversion commission

For the conversion, a Conversion Commission which is determined for each Sub-fund in Appendix C may be charged in favour of any Distributor. This Conversion Commission

shall be automatically deducted when the number of Units in the New Sub-fund is calculated.

The above mentioned Conversion Commission is applicable *mutatis mutandis* to the conversion of Units in the Original Category of a Class of a Sub-fund into Units in the New Category of the same Class and Sub-fund.

22.4 Management Fee

The Investment Manager is entitled, for its services rendered or to be rendered to the Management Company and the Sub-funds in accordance with the investment management agreement, to a management fee (the "**Management Fee**") paid out of the net assets of the Sub-fund concerned. Such Management Fee is payable monthly in arrears and calculated on the average daily net assets of the relevant Sub-fund (before deduction of the Management Fee) at the annual rates set forth in Appendix C.

In addition to the Management Fee payable to the Investment Manager, the Investment Manager is entitled to a performance fee in relation to certain Sub-funds, as indicated, if applicable, in Appendix C.

22.5 Management Company Fee

The Management Company is entitled, for its services rendered or to be rendered, to an annual management company fee (the "**Management Company Fee**") paid out of the net assets of the Sub-funds, as follows:

a) At the following rate, on a reducing scale:

- (i) 7bps for AuM of the Fund up to €50m;
- (ii) 6bps for AuM of the Fund between €50m and €200m;
- (iii) 5bps for AuM of the Fund between €200m and €500m;
- (iv) 4bps for AuM of the Fund over €500m.

b) The relevant rate of the Management Company Fee is :

- (i) Applied, on a monthly basis, taking into account the latest NAV of the month of the Fund;
- (ii) Paid monthly in arrears on a pro rata basis out of the assets attributable to each Sub-Fund taking into account the latest NAV of the month of each Sub-Fund c)

c) The above is subject to a minimum fee amounting to €35,000.- p.a. (namely, the higher of the fees under b) above or the minimum fee disclosed in the present paragraph c) will be charged) :

d) Applied at the level of the Fund for first Sub-Funds; and

- e) Increased by an additional amount per additional Sub-Fund of (i) €6,000 p.a. for each non-complex additional Sub-Fund (i.e. applying the commitment approach for the calculation of the Sub-Fund global exposure) or (ii) €10,000 p.a. for each additional complex Sub-Fund (i.e. applying the VaR approach for the calculation of the Sub-Fund global exposure);

The total minimum fee being paid monthly in arrears on a pro rata basis out of the assets attributable to each Sub-Fund taking into account the latest NAV of the month of each Sub-Fund.

22.6 Fund charges

Each of the Custodian, global Distributor, if any, listing agent, if any, Central Administration, Registrar and Transfer Agent are entitled to receive fees out of the net assets of the Sub-funds, pursuant to the relevant agreements between each of them and the Management Company, as the case may be, and in accordance with usual market practice.

In addition, reasonable disbursements and out-of-pocket expenses incurred by such parties are charged to the Sub-funds.

The Sub-funds will also bear all other expenses incurred in relation with the operation of the Fund which include, without limitation, taxes, expenses for legal and auditing services, cost of any proposed listings, maintaining such listings, Unitholders' reports, Prospectuses, KII, reasonable marketing and advertising expenses, costs of preparing, translating and printing the documents of the Fund and the Sub-funds in different languages, all reasonable out-of-pocket expenses of the Directors and registration fees and other expenses payable to the supervisory authorities in any relevant jurisdiction, insurance costs, interest, brokerage costs and the costs of publication of the Net Asset Value per Unit of the Sub-funds, if applicable.

The allocation of costs and expenses will be made in accordance with the Management Regulations.

The formation expenses were paid by the Fund and will be amortised over a five-year period in equal instalments. Further Sub-funds will only bear the formation and preliminary expenses relating to their own launching, which will also be amortised over a five-year period in equal instalments.

23. NET ASSET VALUE

The Net Asset Value per Unit of each Class in each Sub-fund shall be determined on each Valuation Day, being any Business Day (except if another frequency for the valuation is indicated for a particular Sub-fund in Appendix C).

The Net Asset Value per Unit of each Class in each Sub-fund will be expressed in the Reference Currency of the Sub-fund. The Management Company may however decide to calculate the Net Asset Value per Unit for certain Sub-funds/Classes in the Other Denomination Currency as further detailed for the respective Sub-funds/Classes in Appendix C. The NAV calculated in the Other Denomination Currency is the equivalent of the NAV in the Reference Currency of the Sub-Fund converted at the prevailing

exchange rate. The Sub-funds are valued and the Net Asset Value per Unit of each Class in each Sub-fund is determined on each Valuation Day in Luxembourg.

The Net Asset Value per Unit of each Class in each Sub-fund on any Valuation Day is determined by dividing the value of the total assets of that Sub-fund properly allocable to such Class less the liabilities of such Sub-fund properly allocable to such Class by the total number of Units of such Class outstanding on such Valuation Day.

The Subscription Price and the Redemption Price of the different Classes will differ within each Sub-fund as a result of the differing fee structure and/or distribution policy for each Class.

The valuation of the Net Asset Value per Unit of each Class in each Sub-fund shall be made in the following manner:

The assets of the Fund, in relation to each Sub-fund, shall be deemed to include:

- (i) All cash on hand or on deposit, including any interest accrued thereon;
- (ii) All bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) All bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned by the Fund or contracted for by the Management Company on behalf of the Fund (provided that the Management Company may make adjustments in a manner not inconsistent with paragraph (a) below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- (iv) All stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (v) All interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) The preliminary expenses of the Fund, including the cost of issuing and distributing Units of the Fund, insofar as the same have not been written off;
- (vii) The liquidating value of all forward contracts, swaps and all call or put options the Fund has an open position in;
- (viii) Units or shares issued by open-ended investment funds;
- (ix) All other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be 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 and not yet received, is 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 is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;

- (b) The value of financial assets listed or dealt in on a Regulated Market (as defined in Appendix A) or on any other regulated market will be valued at their latest available prices, or, in the event that there should be several such markets, on the basis of their latest available prices on the main market for the relevant asset;
- (c) In the event that the assets are not listed or dealt in on a Regulated Market, or on any other regulated market or if, in the opinion of the Management Company, the latest available price does not truly reflect the fair market value of the relevant assets, the value of such assets will be defined by the Management Company based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the Management Company;
- (d) Units or shares issued by open-ended investment funds shall be valued at their last available net asset value or in accordance with item (b) where such securities are listed.
- (e) The liquidating value of futures, forward or options contracts not dealt in on Regulated Markets, or other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the Management Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts dealt in on Regulated Markets, or other regulated markets shall be based upon the last available settlement prices of these contracts on Regulated Markets, stock exchange or other regulated markets on which the particular futures, forward or options contracts are dealt in by the Management Company on behalf of the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Management Company may deem fair and reasonable;
- (f) The Net Asset Value per Unit of any Sub-fund of the Fund may be determined by using an amortised cost method for all investments with a known short term maturity date. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price such Sub-fund would receive if it sold the investment. The Management Company will continually assess this method of valuation and recommend changes, where necessary, to ensure that the relevant Sub-fund's investments will be valued at their fair value as determined in good faith by the Management Company. If the Management Company believes that a deviation from the amortised cost per share may result in material dilution or other unfair

results to unitholders, the Management Company shall take such corrective action, if any, as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;

- (g) The relevant Sub-fund shall, in principle, keep in its portfolio the investments determined by the amortisation cost method until their respective maturity date.
- (h) Interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Management Company;
- (i) All other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Management Company;
- (j) The Management Company, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Management Company is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Fund.

If since the time of determination of the Net Asset Value per Unit of any Class in a particular Sub-fund there has been a material change in the quotations in the markets on which a substantial portion of the investments of such Sub-fund are dealt in or quoted, the Management Company may, in order to safeguard the interests of the Unitholders and the Fund, cancel the first valuation of the Net Asset Value per Unit and carry out a second valuation. All the subscription, redemption and exchange orders received on such day will be dealt at the second Net Asset Value per Unit.

The liabilities of the Fund shall be deemed to include:

- (i) All loans, bills and accounts payable;
- (ii) All accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- (iii) All accrued or payable administrative expenses (including the Management Fee and any other third party fees);
- (iv) All known liabilities, present and future, including all matured contractual obligations for payment of money or property;
- (v) An appropriate provision for future taxes based on capital and income to the relevant Valuation Day, as determined from time to time by the Management Company, and other reserves, if any, authorised and approved by the Management Company; and

- (vi) All other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Units of the Fund. In determining the amount of such liabilities, the Management Company shall take into account all expenses payable and all costs incurred by the Fund, the Management Fee, fees payable to its Directors (including all reasonable out-of-pocket expenses), the Management Company, investment advisors (if any), Investment or sub-Investment Managers, accountants, the custodian bank, the administrative agent, corporate agents, domiciliary agents, paying agents, registrars, transfer agents, permanent representatives in places of registration, Distributors, trustees, fiduciaries, correspondent banks and any other agent employed by the Management Company acting on behalf of the Fund, fees for legal and auditing services, costs of any proposed listings and of maintaining such listings, promotion, printing, reporting and publishing expenses (including reasonable marketing and advertising expenses and costs of preparing, translating and printing in different languages) of prospectuses, KII, addenda, explanatory memoranda, registration statements, Annual Reports and Semi-annual Reports, all taxes levied on the assets and the income of the Fund (in particular, the "*taxe d'abonnement*" and any stamp duties payable), registration fees and other expenses payable to governmental and supervisory authorities in any relevant jurisdictions, insurance costs, costs of extraordinary measures carried out in the interests of unitholders (in particular, but not limited to, arranging expert opinions and dealing with legal proceedings) and all other operating expenses, including the cost of buying and selling assets, customary transaction fees and commissions charged by custodian banks or their agents (including free payments and receipts and any reasonable out-of-pocket expenses, i.e. stamp taxes, registration costs, scrip fees, special transportation costs, etc.), customary brokerage fees and commissions charged by banks and brokers for securities transactions and similar transactions, interest and postage, telephone, facsimile and telex charges. The Management Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

In determining the Net Asset Value per Unit, income and expenditures are treated as accruing daily.

24. **TEMPORARY SUSPENSION OF THE DETERMINATION OF THE NET ASSET VALUE PER UNIT**

The Management Company may suspend the determination of the Net Asset Value per Unit of one or more Sub-funds and the issue, redemption and conversion of any Classes of Units in the following circumstances:

- (i) during any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund 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 Fund attributable to such Sub-fund quoted thereon;

- (ii) during the existence of any state of affairs which constitutes an emergency in the opinion of the Management Company as a result of which disposal or valuation of assets of the Fund attributable to such Sub-fund would be impracticable;
- (iii) during any breakdown in the means of external communication or external computation normally employed in determining the price or value of any of the investments of such Sub-fund or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-fund;
- (iv) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Units 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 Units cannot, in the opinion of the Management Company, be effected at normal rates of exchange;
- (v) when for any other reason the prices of any investments of the Fund attributable to such Sub-fund cannot promptly or accurately be ascertained;
- (vi) to the extent that such suspension is justified by the necessity to protect the Unitholders upon publication of a notice informing the Unitholders of the decision of the Management Company to merge one or more Sub-fund(s); or vis-à-vis a feeder UCITS, when its master UCITS temporarily suspends, on its own initiative or at the request of its competent authorities, the redemption, the reimbursement or the subscription of its units; in such a case the suspension of the calculation of the Net Asset Value at the level of the feeder UCITS will be for a duration identical to the duration of the suspension of the calculation of the Net Asset Value at the level of the master UCITS.

The suspension of a Sub-fund shall have no effect on the determination of the Net Asset Value per Unit or on the issue, redemption and conversion of Units of any other Sub-fund that is not suspended.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the determination of the Net Asset Value per Unit.

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper and in any other newspaper(s) selected by the Management Company Board, as well as in the official publications specified for the respective countries in which Units are sold. The CSSF, and the relevant authorities of any member states of the European Union in which Units are marketed, will be informed of any such suspension. Notice will likewise be given to any Subscriber or Unitholder as the case may be applying for subscription, conversion or redemption of Units in the Sub-fund(s) concerned.

25. **AUDITORS**

The auditor of the Fund is appointed by the Management Company and shall, with respect to the assets of the Fund, carry out the duties provided by the UCI Law.

26. **DIVIDENDS**

Whether accumulation or distribution Categories have been issued in relation to a particular Sub-fund is indicated in Appendix C.

Unless otherwise provided in Appendix C with regard to any particular Sub-fund, the Management Company may declare annual or other interim distributions out of the gains and realised capital gains and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for distribution. The Management Company may decide to the payment of interim dividends in the form and under the conditions as provided by law.

Notwithstanding the above, no distribution may be made as a result of which the total net assets of the Fund would fall below the equivalent in the Reference Currency of the Fund of the minimum amount as required by Luxembourg law (i.e. EUR 1,250,000).

The part of the year's income that has been decided to be distributed in relation of the distribution Categories will be distributed to the holders of the distribution Units in cash.

The part of the year's net income corresponding to accumulation Categories will be capitalised in the relevant Sub-fund for the benefit of the accumulation Category.

Dividends will be declared in the Reference Currency of each Sub-fund but, for the convenience of Unitholders, payment may be made in a currency chosen by the Unitholder. The exchange rates used to calculate payments will be determined by the Central Administration by reference to normal banking rates. Such currency transaction will be effected with the Custodian at the relevant Unitholder's cost. In the absence of written instructions, dividends will be paid in the Reference Currency of the Sub-fund.

Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-fund/ relevant Category of the relevant Class.

27. **DURATION, LIQUIDATION AND MERGER OF THE FUND OR OF ANY SUB-FUND**

Duration and Liquidation

The Fund and each Sub-fund have been established for an unlimited period of time. However, the Fund or any Class and/or Sub-fund may be terminated at any time by decision of the Management Company. The Management Company may, in particular decide such dissolution where the value of the net assets of the Fund or of any Class and/or Sub-fund has decreased to an amount determined by the Management Company to the minimum level for the Fund or for such Sub-fund to be operated in an economically efficient manner, in case of a significant change of the economic or political situation or as a matter of rationalisation.

The liquidation of the Fund or of a Class and/or Sub-fund cannot be requested by a Unitholder.

The event leading to dissolution of the Fund must be announced by a notice published in the *Registre Electronique des Sociétés et Associations* ("RESA"). In addition, the

event leading to dissolution of the Fund must be announced in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. Such event will also be notified to the Unitholders in such other manner as may be deemed appropriate by the Management Company.

The Management Company Board or, as the case may be, the liquidator it has appointed, will realise the assets of the Fund or of the relevant Sub-fund(s) in the best interest of the Unitholders thereof, and upon instructions given by the Management Company, the Custodian will distribute the net proceeds from such liquidation, after deducting all liquidation expenses relating thereto, amongst the Unitholders of the relevant Sub-fund(s) in proportion to the number of Units held by them.

At the close of liquidation of the Fund, the proceeds thereof corresponding to Units not surrendered will be deposited with the Luxembourg *Caisse de Consignation* until the prescription period has elapsed. As far as the liquidation of any Class and/or Sub-fund is concerned, the proceeds thereof corresponding to Units not surrendered for repayment at the close of liquidation will be dealt with in the same manner, after this delay, these proceeds shall be deposited with the *Caisse de Consignation*.

Mergers

"**Merger**" means an operation whereby:

- a) one or more UCITS or sub-funds thereof, the "**Merging UCITS**", on being dissolved without going into liquidation, transfer all of their assets and liabilities to another existing UCITS or a sub-fund thereof, the "**Receiving UCITS**", in exchange for the issue of the corresponding amount of shares or Units in the Receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares or units;
- b) two or more UCITS or sub-funds thereof, the "**Merging UCITS**", on being dissolved without going into liquidation, transfer all of their assets and liabilities to a UCITS which they form or a sub-fund thereof, the "**Receiving UCITS**", in exchange for the issue of the corresponding amount of shares or Units in the Receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares or units;
- c) one or more UCITS or sub-funds thereof, the "**Merging UCITS**", which continue to exist until the liabilities have been discharged, transfer their net assets to another sub-fund of the same UCITS, to a UCITS which they form or to another existing UCITS or a sub-fund thereof, in exchange for the issue of the corresponding amount of shares or units in the "**Receiving UCITS**".

Any Merger of a Sub-Fund or the Fund with another Sub-Fund or with another UCITS or compartment thereof (whether subject to Luxembourg law or not) shall be decided by the Management Company in accordance with the provisions of the UCI Law.

Mergers can be performed in accordance with the form, modalities and information requirements provided for by the UCI Law; the legal consequences of Mergers are governed by and described in the UCI Law.

Under the same circumstances as provided in the Section "Duration and Liquidation", the Management Company consolidate any classes of any Sub-fund.

The Unitholders will be informed in accordance with the applicable laws and regulations.

Under the same circumstances as provided in the Section "Duration and Liquidation", the Management Company Board may decide to reorganise a Sub-fund and/or Class by means of a division (split) into two or more Sub-funds and/or Classes. The Unitholders will be informed in accordance with the applicable laws and regulation.

If a Sub-fund qualifies as a feeder UCITS of another UCITS or one of another Sub-fund, the merger or liquidation of such master UCITS triggers the liquidation of the feeder Sub-fund, unless the Management Company decides, in accordance with the UCI Law, to replace the master UCITS with another master UCITS or to convert the feeder Sub-fund into a standard UCITS Sub-fund.

Where a Sub-fund has been established as a master Sub-fund, no Merger or division shall become effective, unless the Sub-fund has provided all of its Unitholders and the competent authorities of the home member state of the feeder UCITS with the information required by law, by sixty days before the proposed effective date. Unless the competent authorities of the home member state of the feeder UCITS have granted approval to continue to be a feeder UCITS of the master Sub-fund resulting from the Merger or division of the relevant Sub-fund, the relevant Sub-fund shall enable the feeder-UCITS to repurchase or redeem all Units in the relevant Sub-fund before the Merger or division of the relevant Sub-fund becomes effective.

The Unitholders of both the merging UCITS and the receiving UCITS have the right to request, without any charge other than those retained by the UCITS to meet disinvestment costs, the repurchase or redemption of their Units or, where possible, to convert them into units/shares in another UCITS with similar investment policy and managed by the same Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. This right shall become effective from the moment that the Unitholders of the merging UCITS and those of the receiving UCITS have been informed of the proposed Merger and shall cease to exist five (5) working days before the date for calculating the exchange ratio.

The entry into effect of the Merger shall be made public through all appropriate means provided for by the competent authorities in the home member state of the receiving UCITS and shall be notified to the competent authorities of the home member states of the receiving UCITS and the merging UCITS. A Merger which has taken in accordance with the provisions of the UCI Law cannot be declared null and void.

Conversions of existing Sub-funds in feeder UCITS and changes of the master UCITS

For conversions of existing Sub-funds in feeder UCITS and a change of the master UCITS the Unitholders must be provided with the information required by the UCI Law

within the periods of time prescribed by law. The Unitholders are entitled to redeem their Units in the relevant Sub-fund free of charge within thirty (30) days thereafter, irrespective of the costs of the redemption.

28. APPLICABLE LAW AND JURISDICTION

The Management Regulations are governed by the laws of the Grand Duchy of Luxembourg and any dispute arising between the Unitholders, the Management Company and the Custodian will be subject to the jurisdiction of the District Court of Luxembourg.

Notwithstanding the foregoing, the Management Company and the Custodian may subject themselves and the Fund, (i) to the jurisdiction of the courts of the countries in which the Units of the Fund are offered and sold with respect to claims by Unitholders resident in such countries, and (ii) with respect to matters relating to subscription, repurchase and conversion by Unitholders resident in such countries, to the laws of such countries.

The claims of the Unitholders against the Management Company or the Custodian will lapse five years after the date of the event which gave rise to such claims.

29. GOVERNING LANGUAGE

English shall be the governing language of this Prospectus.

30. TAX STATUS IN LUXEMBOURG

The following Section is a short summary of certain important taxation principles that may be or become relevant with respect to the Fund and the Units in Luxembourg.

This Section does not purport to be a complete summary of tax law and practice currently applicable in Luxembourg and does not contain any statement with respect to the tax treatment of an investment in any Sub-fund in any other jurisdiction. Furthermore, this Section does not address the taxation of the Fund in any other jurisdiction or the taxation of any subsidiaries or intermediary companies of the Fund in any jurisdiction.

Prospective Unitholders are advised to consult their own professional tax advisers in respect of the possible tax consequences of subscribing for, buying, holding, redeeming, converting or selling Units under the laws of their country of citizenship, residence, domicile or incorporation.

The following summary is based on laws, regulations and practice currently applicable in the Grand Duchy of Luxembourg at the date of this Prospectus and is subject to changes therein.

30.1 Luxembourg taxation

30.1.1 Taxation of the Fund

Under present Luxembourg law and practice, the Fund will not be liable for any Luxembourg corporate income tax or capital gains tax. The Fund is, however, liable in Luxembourg for a subscription tax of 0.05% per annum computed on its net assets, such

tax being payable quarterly on the basis of the value of the aggregate net assets of the Fund at the end of the relevant calendar quarter, for Retail Investors. A reduced 0.01% rate applies to cash funds or money market UCIs or sub-funds of a UCIs, for Institutional Investors. No stamp duty or other tax is payable in Luxembourg on the issue of Units.

30.1.2 Taxation of Unitholders

Under current legislation and subject to the provisions of the Council Directive 2003/48/EC or any amendment thereof (see section 30.2), Unitholders are not subject to any capital gains, income or withholding tax in Luxembourg (except for those domiciled, resident or having a permanent establishment in Luxembourg).

30.1.3 Taxation of the Management Company

The Management Company, to the extent it is entitled to manage several FCPs according to its bylaws, is a fully taxable corporation in Luxembourg, subject to both corporate income tax and municipal business tax at the current aggregate rate of 28.80% (statutory common rate for companies having their registered office in Luxembourg-City). Any income (e.g. management fees) received from the fund(s) it manages will thus be subject to corporate income tax and municipal business tax. The Management Company is allowed to deduct any payment or costs suffered from the income it receives. Dividends paid by the Management Company are subject to withholding tax at the domestic rate of 15% unless (i) the participation exemption as provided for by Article 147 of the Luxembourg income tax law is complied with or (ii) a reduced withholding tax rate provided for by a double tax treaty concluded with Luxembourg is applicable. Annual net wealth tax applies at the rate of 0.5% on its Net Asset Value. A fixed registration duty of EUR 75 has been introduced and covers several transactions involving Luxembourg companies (including the Management Company) such as the incorporation or the amendments of the Articles.

30.2 EU Savings Directive

Luxembourg generally does not levy any withholding tax (i) on interest paid by a Luxembourg FCP (or sub-fund) or (ii) upon distributions made by a Luxembourg FCP (or sub-fund) on redemption/refund/sales of its units.

Under the Luxembourg laws of 21 June 2005 transposing the EU Savings Directive 2003/48 and ratifying equivalent savings taxation agreements concluded between Luxembourg and certain Dependent and Associated Territories (the "**EU Savings Directive Laws**"), a Luxembourg "Paying Agent" within the meaning of the EU Savings Directive Laws may have been obliged to apply savings withholding tax of 35% on (the interest part of) distributions made by, and redemptions of units regarding, certain investment funds, until 31 December 2014. As from 1 January 2015, Luxembourg unilaterally abandoned savings withholding tax and consequently switched to automatic exchange of information under the EU Savings Directive Laws.

However in view of the adoption of the EU Directive on mandatory automatic exchange of information (covered in section 30.4 below), the EU Council repealed the EU Savings Directive 2003/48 on 10 November 2015, with effect as from 1 January 2016 (with

transitional measures for Austria, where the EU Savings Directive 2003/48 will continue to apply until 31 December 2016 *at the latest*).

Though the Directive repealing the EU Savings Directive was not formally published yet, the Luxembourg law of 21 June 2005 transposing the EU Savings Directive does not apply any longer in Luxembourg to the extent prevailing obligations exist under the Luxembourg law of 18 December 2015 transposing EU Directive 2014/107/EU of 9 December 2014 regarding mandatory automatic exchange in tax matters, as foreseen in article 4 (4) of the latter law.

To the extent the Fund only has a “Paying Agent” within the meaning of the EU Savings Directive Laws in Luxembourg, automatic exchange of information obligations under the (repealed) EU Savings Directive are no longer applicable as from 1 January 2016. In such case, the Luxembourg “Paying Agent” may still have –temporarily- automatic exchange of information obligations under the equivalent savings taxation agreements concluded between Luxembourg and certain of the Dependent and Associated Territories, in cases where investors are residents of, or Residual Entities (as defined in these agreements) located in, certain of these Dependent and Associated Territories, and then only until the moment Common Reporting Standard based automatic exchange of information obligations become applicable in the relation between Luxembourg and these jurisdictions. Based on the current status of implementation, it is reasonably expected that only the equivalent savings taxation agreements concluded between Luxembourg and Aruba, and between Luxembourg and Sint-Maarten (the latter agreement resulting from the agreement with the meanwhile dissolved Netherlands Antilles) may still be applicable for calendar year 2016, as these jurisdictions are the only Dependent and Associated Territories which would apply Common Reporting Standard based automatic exchange of information as from calendar year 2017 (and not as from calendar year 2016, as should be the case in all other Dependent and Associated Territories that entered into savings taxation agreements with the EU Member States, such as Jersey, Guernsey, Isle of Man, and the BVI).

30.3 FATCA

Enacted in 2010, FATCA compels FFI to report to the IRS information regarding Specified U.S. Persons, and in some cases Specified U.S. Persons that are Controlling Persons of entities falling under the definition of Passive NFFE.

Through FATCA, the U.S. imposes a punitive withholding tax of 30% for all FFIs, including certain investment vehicles and funds, which do not comply with their FATCA obligations. This tax applies not only to U.S. source income but also to gross proceeds from the sale of assets that generate U.S. source income (as from 2019).

FATCA requires FFIs to comply with new documentation standards, the objective being the identification of Specified U.S. persons and the reporting to the IRS, as from the year 2015 (on calendar year 2014), of information related to those Specified U.S. persons, their investments held and income realised.

The U.S. Treasury released Final Regulations on 17 January 2013 and the IRS provided detailed requirements with which FFI, U.S. Withholding Agents, and other non-U.S.

entities must comply with to avoid withholding and/or penalties. The document also details exceptions, exclusions, reporting and withholding requirements. On 20 February 2014, the IRS has also released amendments to the Final Regulations (temporary and coordination regulations).

Many jurisdictions (including Luxembourg) have signed an “IGA Model 1” with the U.S. that transposes FATCA obligations into local law, under the form of automatic exchange of information through the local tax authorities. The Luxembourg IGA was signed on 28 March 2014. The Luxembourg law of 24 July 2015 transposes this IGA into local legislation (the FATCA Law).

The Fund qualifies as a Restricted Fund under the Luxembourg IGA and the FATCA Law. Consequently, the Fund does not have reporting obligations to the Luxembourg Tax Authorities under the FATCA Law.

FATCA obligations of the Fund:

The Fund, having opted for the Restricted Fund status, will not be required to register on the IRS portal, however, it must comply with the following FATCA obligations:

- fulfilling due diligence obligations that must be applied with respect to the investors. As part of FATCA, the Fund may request from the investors all documents (deemed) necessary to comply with the FATCA Law. Investors are specifically required to immediately notify the Fund on any change in their FATCA status. The Fund is not responsible in case of delays or failure of transaction processing due to lack of documents/information to be provided by the investors;
- not accepting investors that are Prohibited Persons;
- not have issued bearer units after 31 March 2013, and to put in place procedures and policies to immobilize or redeem any such units upon surrender, and in any event, prior to 1st January 2017.

In case of failure of a Unitholder to provide the required documentation (when the Fund may have reasons to know that the FATCA classification of an investor is incorrect or may have changed) or in case of a Unitholder changing FATCA status to become a Prohibited Person, the Fund proceed to the immediate forced redemption of its Units.

Investors should contact their own tax advisers regarding the application of FATCA to their particular situation.

30.4 CRS

Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory exchange of information in the field of taxation (the “DAC2”) applies as from 1 January 2016.

Under the DAC2, Reporting Financial Institutions are obliged to automatically exchange information on account balances and financial income defined in a broad way, paid or credited to certain persons (individuals and entities), tax resident of another EU Member

State, or to certain EU and non-EU entities qualifying as “Passive NFE” (with, in such case, exchange of information to be applied regarding these entities and their Controlling Persons, as defined in the DAC2, who are tax residents of an EU Member State), as well as certain personal data relating to these persons and Controlling Persons.

The CRS Law of 18 December 2015 transposes this Directive into local legislation (the CRS Law); and applies as from 1 January 2016.

Luxembourg Reporting Financial Institutions, such as the Fund, need to exchange the relevant information with the Luxembourg tax authorities, which will transmit this information to the relevant foreign tax authorities.

According to the CRS Law, relevant data collected regarding calendar years as from 2016 will need to be exchanged with the Luxembourg tax authorities on 30 June of the following year at the latest.

The mandatory exchange of information provisions covered in the DAC2 have been based on the OECD “Common Reporting Standard”, which has been developed by the OECD in the context of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters, as amended by its 2010 Protocol. Since more than 100 jurisdictions are a party to this OECD Multilateral Convention, or announced to intend to become a party to this Convention and its Protocol and signed or committed to sign the Multilateral Competent Authority Agreement, it is expected that additional multilateral and/or bilateral conventions will be concluded between a growing number of jurisdictions in order to impose similar automatic exchange of information obligations in the field of taxation, in the relation between the EU and certain non-EU jurisdictions, and/or between certain Member States of the EU and certain non-EU jurisdictions.

The EU already signed agreements (or is in advanced negotiations) with Switzerland, Liechtenstein, Andorra, Monaco and San Marino, amending the existing savings taxation agreements reached with these jurisdictions. These agreements, provided they are transposed into relevant local laws, will be applicable as from 1st January 2017 (in the case of Switzerland, Andorra and Monaco), and are applicable as from 1 January 2016 (in the case of Liechtenstein and San Marino) on a reciprocal basis with most of these jurisdictions. These agreements impose automatic exchange of information based on the Common Reporting Standard as from 2018 regarding calendar year 2017 (in the case of Switzerland, Andorra and Monaco), respectively as from 2017 regarding calendar year 2016 (in the case of Liechtenstein and San Marino). Additional agreements, concluded on a bilateral or multilateral basis between the EU or between certain EU Member States and other non-EU partner jurisdictions to the above-mentioned OECD Multilateral Convention and its Protocol, are likely to be concluded in the next coming months and years.

31. **FINANCIAL YEAR**

The Fund's financial year ends on 31 December of each calendar year.

The consolidated accounts of the Fund shall be kept in Euro. The financial statements relating to the separate Sub-funds shall also be expressed in the Reference Currency of the relevant Sub-fund.

The Fund will issue audited Annual Reports as of 31 December and unaudited Semi-annual Reports as of 30 June. The first reports of the Fund will be an audited report as of 31 December 2011 and an unaudited report as of 30 June 2012. The Annual Reports will be published within four months after the end of the relevant period and the Semi-annual Reports will be published within two months after the end of the relevant period.

The accounts of the Management Company and of the Fund will be audited annually by an approved statutory auditor (*réviseur d'entreprises agréé*) appointed from time to time by the Management Company to carry out the duties provided for by the UCI Law.

32. **UNITHOLDERS' INFORMATION**

Audited Annual Reports and unaudited Semi-annual Reports will be made available for public inspection at each of the registered offices of the Management Company, the Central Administration and any Distributor respectively.

Any other financial information to be published concerning the Fund or the Management Company, including the Net Asset Value, the issue, conversion and repurchase price of the Units for each Sub-fund and any suspension of such valuation, will be made available to the public at the offices of the Management Company and the Custodian.

To the extent required by Luxembourg law or decided by the Management Company, all notices to Unitholders will be sent to Unitholders at their address indicated in the register of Unitholders, and published in one or more newspapers and/or in the RESA.

33. **REMUNERATION POLICY**

The Management Company is subject to the supervision of the CSSF. It has established a remuneration policy in accordance with articles 111bis and 111ter of the UCI Law. The Management Company remuneration policy is consistent with and promotes sound and effective risk management of the Fund, does not encourage risk-taking and does not impair compliance with the best interest of the Fund. It provides in substance that the fixed component of the total remuneration of identified staff will always be larger than its variable component, the latter being always granted on a discretionary basis only. The remuneration policy will be reviewed annually by the Management Company's legal and compliance officer and any change to it will be submitted for the approval of the Management Company Board. Considering the nature, scope and complexity of the Management Company's activities the proportionality principle has been applied.

The remuneration policy is available on the website of the Management Company at www.crestbridge.com and a paper copy will be made available free of charge upon request.

34. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents will be available for inspection during normal business hours on any week day (Saturday and public holidays excepted) at the registered office of the Management Company:

- 1) Prospectus and KIID;
- 2) The remuneration policy;

- 3) The Management Regulations;
- 4) The Articles of Incorporation of the Management Company;
- 5) The latest Annual and Semi-annual Reports of the Fund;
- 6) The Custodian and Paying Agent Agreement;
- 7) The Central Administration Agreement; and
- 8) The Investment Management Agreement.

Hard copies of the documents under (1) to (4) above may be obtained without cost upon enquiry of each Unitholder at the same address. The Prospectus may be delivered in a durable medium or by means of a website.

APPENDIX A INVESTMENT POWERS AND RESTRICTIONS

Definitions:

"**Directive 78/660/EEC**" shall mean Directive 78/660/EEC of 25 July 1978 based on Article 54 paragraph 3 g) of the Treaty on the annual accounts of certain types of companies, as amended.

"**Directive 2009/65/EC**" shall mean Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in Transferable Securities (UCITS).

"**Group of Companies**" shall mean companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC on the preparation of consolidated accounts or in accordance with recognised international accounting rules.

The Management Company Board shall, based upon the principle of risk spreading, have power to determine the investment policy for the investments for each Sub-fund of the Fund.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-fund as described in the Appendix below, the investment policy shall comply with the rules and restrictions laid down hereafter:

- 1) **The Fund's and each of its sub-funds' investments comprise only one or more of the following:**
 - a) Transferable Securities and Money Market Instruments that are admitted to or dealt in on a regulated market, within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;
 - b) Transferable Securities and Money Market Instruments that are traded on another regulated market in a Member State which operates regularly and is recognised and open to the public. For the purpose of this Section, the term "**Member State**" refers to a Member State of the European Union, it being understood that the States that are contracting parties to the Agreement creating the European Economic Area other than the Member States of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to Member States of the European Union;
 - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or traded on another regulated market in a non-Member State of the European Union which operates regularly and is recognised and open to the public, such stock exchange or market being located within any European, American, Asian, African, Australasian or Oceania country (hereinafter called "**approved state**");

- d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market referred to under paragraphs a) to c) above and that such admission is secured within one year of issue;
- e) units of UCITS authorised according to Directive 2009/65/EC and/or other UCIs within the meaning of the first and second indent of Article 1(2), points a) and b) of Directive 2009/65/EC, whether or not established in a Member State, provided that:
 - (i) such other UCIs have been approved in accordance with a law subjecting them to supervision which is considered by the CSSF as equivalent to that laid down in Community law, and that co-operation between authorities is sufficiently ensured.
 - (ii) the level of guaranteed protection for unitholders in such other UCIs is equivalent to the level of protection provided for the unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money-Market Instruments that are equivalent to the requirements of Directive 2009/65/EC;
 - (iii) the business operations of the other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income, transactions and operations during the reporting period;
 - (iv) no more than 10% of the UCITS or other UCIs whose acquisition is envisaged can, in accordance with their respective sales prospectus, management regulations or articles of incorporation, be invested in aggregate in units of other UCITS or UCIs.
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non EU Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in paragraphs a), b) and c) above and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
 - (i) the underlying consists of instruments covered by paragraphs a) to h), financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to the investment objectives of its sub-funds;

- (ii) the counter-parties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
 - (iii) the OTC derivatives are subject to reliable and verifiable valuation on a weekly basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company' s initiative;
- h) Money Market Instruments other than those dealt in on a regulated market as referred to in paragraphs a) to c) above and which fall under this Section, if the issue or issuer of such instruments is itself regulated for the purpose of protecting Unitholders and savings, and provided that these instruments are:
- (i) issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
 - (ii) issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs a), b) or c) above; or
 - (iii) issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by Community law or by an establishment which is subject to and comply with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
 - (iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to Unitholder protection equivalent to that laid down in the first, the second or the third indent of this paragraph h) and provided that the issuer is a company whose capital and reserves amount at least to ten million Euros (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2) Moreover, in each Sub-fund the Fund may:

- (i) invest up to 10% of the net assets of each of the Sub-funds in Transferable Securities and Money Market Instruments other than those referred to under Section 1) a) through h) of this Appendix A above, except for units of UCITS and/or UCI which do not comply with Section 1) e).
- (ii) hold ancillary liquid assets.
- (iii) may borrow provided that such a borrowing is:

- a) on a temporary basis and represents no more than 10 % of the value of the relevant Sub-fund; or
- b) to enable the acquisition of immovable property essential for the direct pursuit of its business and represents.

Borrowing shall not exceed 15 % of the relevant Sub-fund's assets in total.

- (iv) acquire foreign currencies by means of back-to-back loans.

3) In addition, the Fund shall comply in respect of the net assets of each Sub-fund with the following investment restrictions per issuer:

(a) Rules for risk spreading

For the calculation of the limits defined in points (1) to (5) and (7) below, companies belonging to the same Group of Companies shall be treated as a single issuer.

Insofar as an issuer is a legal entity with several Sub-funds where the assets of a given Sub-fund are exclusively subject to the rights of Unitholders in such Sub-fund and of creditors with a claim arising from the creation, operation or liquidation of said Sub-fund, each Sub-fund must be considered a separate issuer for the application of the risk division rules.

• Transferable Securities and Money Market Instruments

- (1) A Sub-fund may not buy additional Transferable Securities and Money Market Instruments from one and the same issuer if, after their purchase:
 - (i) more than 10% of its net assets are Transferable Securities or Money Market Instruments issued by said entity;
 - (ii) the total value of the Transferable Securities and Money Market Instruments from issuers in each of which it invests more than 5% of its net assets exceeds 40% of its net assets. This limit does not apply to deposits with financial institutions subject to prudential supervision or to transactions with such institutions involving OTC derivatives.
- (2) A Sub-fund may invest in aggregate up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- (3) The 10% limit laid down in paragraph (1) is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States are members.
- (4) The 10% limit laid down in paragraph (1) is raised to 25% for certain debt securities issued by a credit institution whose registered office is in a Member State and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue

of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that the Sub-fund invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Sub-fund's net assets.

- (5) The values mentioned in (3) and (4) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (1) (ii) above.
- (6) **Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, each Sub-fund is authorised to invest up to 100% of its net assets in Transferable Securities and Money Market instruments issued or guaranteed by a Member State, its local authorities, a non-Member State of the European Union, as acceptable to the CSSF and disclosed in this Prospectus (including but not limited to OECD member states, Singapore, Brazil, Russia, Indonesia and South Africa), or public international bodies of which one or more Member State(s) is/are member(s), provided that (i) these securities consist of at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Sub-fund's net assets.**
- (7) Without prejudice to the limits laid down in (b) below, the limits laid down in (1) above are raised to maximum 20% for investment in shares and/or debt securities issued by the same body and when the Sub-fund's investment policy is aimed at duplicating the composition of a certain stock or debt securities index, which is recognised by the CSSF and meets the following criteria:
- The index's composition is sufficiently diversified;
 - The index represents an adequate benchmark for the market to which it refers;
 - The index is published in an appropriate manner.

The 20% limit is increased to 35% where that proves to be justified by exceptional conditions, in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for one single issuer.

- **Bank deposits**

- (8) A Sub-fund may not invest more than 20% of its net assets in deposits made with the same entity.

- **Derivatives**

- (9) The Sub-fund may invest in financial derivative instruments in accordance with CSSF circular 11/512.
- (10) The risk exposure to a counterparty in an OTC derivative transaction may not exceed 10% of the Sub-fund's net assets when the counterparty is a credit institution referred to in f) in section 1 of this Appendix A, or 5% of its net assets in the other cases.
- (11) The Sub-fund may invest in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (1) to (5), (8), (10), (17) and (18). When the Sub-fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits laid down in (1) to (5), (8), (10), (17) and (18).
- (12) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the provisions laid down in (13) (17) and (18), and when determining the risks arising on transactions in derivatives instruments.
- (13) With regard to derivative instruments, each Sub-fund will ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

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

- **Shares or units in open-ended funds**

- (14) Each Sub-fund may not invest more than 10% of its net assets in shares or units of a single UCITS or other UCI referred to in 1) e) above.
- (15) Furthermore, investments made in UCIs other than UCITS, may not exceed, in aggregate, 10% of the net assets of the Sub-fund.
- (16) To the extent that a UCITS or UCI is composed of several Sub-funds and provided that the principle of segregation of commitments of the different Sub-funds is ensured in relation to third parties, each Sub-fund shall be considered as a separate entity for the application of the limit laid down in (14) here-above.

When the Sub-fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which the Management Company is linked by common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, that management company or other company may not charge subscription or redemption fees on account of the Sub-fund's investment in the units of other UCITS and/or other UCI.

If the Sub-fund shall decide to invest a substantial proportion of its assets in other UCITS and/or UCIs the maximum level of management fees that may be charged to both the Sub-fund and to the UCITS and/or UCI in which it intends to invest will be disclosed in this Prospectus under the specific information regarding the concerned Sub-fund.

- **Combined limits**

(17) Notwithstanding the individual limits laid down in (1), (8) and (10), the Sub-funds may not combine, where this would lead to investment of more than 20 % of its assets in a single body, any of the following:

- Investments in Transferable Securities or Money Market Instruments issued by;
- Deposits made with that body; and/or
- Exposures arising from OTC derivatives transactions undertaken with that body.

(18) The limits set out in (1) to (5), (8) and (10) cannot be combined. Thus, investments by each Sub-fund in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with (1) to (5), (8) and (10) may not exceed a total of 35% of the net assets of the Sub-fund.

(b) Restrictions with regard to control

(19) No Sub-fund, nor the Management Company acting in connection with all the common funds which it manages, may acquire such amount of shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

(20) The Fund may acquire no more than:

- (i) 10% of the outstanding non-voting shares of the same issuer,
- (ii) 10% of the outstanding debt securities of the same issuer,
- (iii) 10% of the outstanding shares or units of the same UCITS or other UCI within the meaning of article 2, paragraph (2) of the UCI Law,
- (iv) 10% of the outstanding Money Market Instruments of the same issuer.

The limits set in points (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

(21) The limits laid down in (19) and (20) are waived as regards:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
- Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
- Shares held in the capital of a company incorporated in a non-Member State which invests its assets mainly in securities of issuing bodies having their registered office in that State, where under the legislation of that State, such holding represents the only way in which the relevant Sub-fund can invest in the securities of issuing bodies of that State and provided that the investment policy of the company complies with regulations governing risk diversification and restrictions with regard to control laid down herein;
- Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of the shares at the shareholders request exclusively on its or their behalf.

4) Furthermore, the following restrictions will have to be complied with:

- (i) No Sub-fund may acquire either precious metals or certificates representing them.
- (ii) No Sub-fund may acquire real estate, except when such acquisition is essential for the direct pursuit of its business.
- (iii) No Sub-fund may issue warrants or other instruments giving holders the right to purchase Units in such Sub-fund.
- (iv) Without prejudice to the possibility of a Sub-fund to acquire debt securities and to hold bank deposits, a Sub-fund may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit the Sub-fund from acquiring Transferable Securities, Money Market Instruments or other financial instruments that are not fully paid-up.
- (v) A Sub-fund may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.

5) Notwithstanding the above provisions:

- (i) Each of the Sub-funds needs not necessarily to comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of such Sub-fund's portfolio concerned. Each Sub-fund has six (6) months from its date of authorization to achieve compliance with paragraph 3 (a).

- (ii) If the limits referred to above are exceeded for reasons beyond the control of a Sub-fund or as a result of the exercise of subscription rights, such Sub-fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- (iii) The Fund has access to employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolios of the Sub-funds. The Fund employs a process allowing for accurate and independent assessment of the value of the OTC derivative instruments.
- (iv) Information relating to the quantitative limits that apply in the risk management of the Fund, to the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields may be provided to Unitholders upon request.

6) Cross-Sub-fund investments:

Each Sub-fund may also subscribe for, acquire and/or hold units issued or to be issued by one or more other Sub-fund(s), if:

- (i) the target Sub-fund does not, in turn, invest in the Sub-fund invested in this target Sub-fund; and
- (ii) no more than 10% of the assets of the target Sub-fund whose acquisition is contemplated may, pursuant to its respective sales prospectus or management regulations, be invested in aggregate in units/shares of other UCITs or other collective investment undertakings; and
- (iii) voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- (iv) in any event, for as long as these securities are held by the relevant Sub-fund, their value will not be taken into consideration for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law; and
- (v) there is no duplication of management/subscription or redemption fees between those at the level of the Sub-fund having invested in the target Sub-fund, and this target Sub-fund.

APPENDIX B

FINANCIAL TECHNIQUES AND INSTRUMENTS

(A) General provisions

For the purpose of efficient portfolio management and/or to protect its assets and commitments, the Management Company may arrange for each Sub-fund to make use of techniques and instruments relating to transferable securities and money market instruments.

Efficient portfolio management transactions must be economically appropriate in that they are realised in a cost-effective way and be entered into for one or more of the following specific aims:

- the reduction of risk;
- the reduction of cost; or
- the generation of additional capital or income for the relevant Sub-fund and the risk diversification rules laid down in article 43 of the UCI Law.

The relating risks of these transactions will be adequately captured by the Management Company's risk management process.

The techniques and instruments referred to in this paragraph (A) include, among others, the purchase and sale of call and put options and the purchase and sale of future contracts or the entering into swaps relating to foreign exchange rates, currencies, securities, indices, interest rates or other admissible financial instruments. The Management Company will not use total return swaps for any Sub-Fund.

For the Sub-funds, the Management Company shall use instruments dealt in either on a regulated market referred to under items a), b) and c) of Section 1 of Appendix A or over-the-counter (in accordance with the conditions set out in Appendix A). In general, when these transactions involve the use of derivatives, the conditions and restrictions set out in Appendix A must be complied with.

In addition, techniques and instruments include securities lending and borrowing transactions and repurchase agreements.

In no case whatsoever must the recourse to transactions involving derivatives or other financial techniques and instruments cause the Fund to depart from the investment objectives set out in the Prospectus or add substantial supplementary risks in comparison to the risks described in Section 6.

Except for clearing, settlement and similar costs and fees, the Fund's policy is to not deduct any other direct or indirect operational costs and fees arising from efficient portfolio management techniques from the revenue delivered to the relevant Sub-Fund(s).

Only these costs and fees paid to parties related to either the Management Company or the Custodian will be disclosed in the Annual Report.

All the revenues arising from the above, net of direct and indirect operational costs, should be returned to the Sub-Fund concerned.

All assets received by the Fund in the framework of this Appendix B in order to cover counterparty risk should comply with the following criteria at all times:

- a) Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provision of article 48 of the UCI Law.
- b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- c) Issuer credit quality – collateral received should be of high quality.
- d) Correlation – the collateral received by the Fund should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- e) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- g) Where there is a title transfer, the collateral received should be held by the depositary of the Fund. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- h) Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- i) Non-cash collateral received should not be sold, re-invested or pledged.
- j) Cash collateral received should only be:
 - placed on deposit with entities prescribed in article 41(1)(f) of the UCI Law;
 - invested in high-quality government bonds;

- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;
- invested in Short-Term Money Market Funds.

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

If the Fund receives collateral for at least 30% of its assets, the Management Company should implement an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable it to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- a) design of stress test scenario analysis including calibration, certification & sensitivity analysis;
- b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- c) reporting frequency and limit/loss tolerance threshold/s; and
- d) mitigation actions to reduce loss including haircut policy and gap risk protection.

Currently, the Management Company only accepts cash as collateral for any applicable transaction within any of the Sub-Funds. For the time being, there is no haircut policy put in place.

The Prospectus will be updated accordingly if any non-cash collateral will be accepted by the Management Company.

(B) Securities lending transactions

The Fund may engage in securities lending transactions provided that they comply with the following rules:

- (1) The Fund lends securities either through a standardised system organised by a recognised securities clearing institution or to a first rate financial institution specialised in this type of transaction.
- (2) When engaging in securities lending, and except when this is done through a recognised securities clearing institution, the Fund must receive security of a value that, at the time of entering into the agreement, must be at least equal to the aggregate value of the securities lent.

This collateral must be given in the form of cash and/or securities issued or guaranteed by a member state of the OECD or by the central, regional or local government agencies of these states, or by supranational institutions and

organisations with European, regional or worldwide scope, and must be blocked in favour of the Fund until expiry of the lending agreement.

Such collateral is not required when the securities lending transaction is arranged through the intermediary of Clearstream, Euroclear or any other institution whereby the Fund is assured of receiving the value of the securities lent in application of either a guarantee or otherwise.

- (3) The Fund is able to terminate any securities lending agreement into which it has entered (irrespective of the relevant notice period).
- (4) The Fund may only engage in securities borrowing in the following circumstances. First, when the Fund is committed to sell certain securities in its portfolio at a time when these securities are in the process of being registered with a government agency and are therefore not available. Second, when securities lent by the Fund were not returned at the specified time. Third, to avoid the situation whereby a delivery of securities as promised cannot be made in the event that the depository did not fulfil its obligation to complete delivery of the securities related to the Fund.
- (5) The Fund cannot sell any securities borrowed during the period of the borrowing agreement unless hedging has been arranged by means of financial instruments that will enable the Fund to return the securities borrowed when the agreement expires.

(C) Repurchase agreements

On an ancillary basis and for the purpose of improving performances, the Fund may enter into repurchase agreements consisting of the purchase and sale of securities in which the terms of the agreement give the seller the right or the obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the time of entering into the agreement.

The Fund may enter into repurchase agreements either as purchaser or as seller. However, when entering into agreements of this type, the Fund shall comply with the following rules:

- (1) The Fund may only contract with a counterparty which is a highly rated financial institution specialised in this type of transaction.
- (2) For the duration of a repurchase agreement, the Fund may not sell the securities that are the subject of the agreement either before the counterparty has exercised its right to repurchase the securities or before the repurchase period has expired.
- (3) When the Fund has obligations to make repurchases, it must ensure that the level of repurchase agreements is such that it can meet these obligations at any given time.

- (4) If the Fund enters into a reverse repurchase agreement it should ensure that it is able at any time to either recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the NAV.
- (5) The Fund ensures that it is able at any time to either recall any securities subject to the repurchase agreement or terminate the repurchase agreement into which it has entered (irrespective of the relevant notice period). Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

APPENDIX C
DETAILS OF EACH SUB-FUND

List of Sub-funds:

YCAP Credit Fundamental – YCAP Euro Corporate Fund

YCAP Credit Fundamental – YCAP Corporate Opportunity Fund

YCAP Credit Fundamental – YCAP High Yield Extensus Fund

YCAP Credit Fundamental – YCAP ABS Opportunity Fund

YCAP Credit Fundamental – YCAP Euro Corporate Fund (the "**Sub-fund**")

Investment objective

The Sub-fund seeks long-term growth of capital. The fundamental approach of the Sub-fund aims to weigh risks and return potentials to seek a sustainable performance.

Investment policy

The Sub-fund's investment objective is to seek to maximise total return through investment in bonds, bond futures and other debt securities of corporate issuers denominated in Euro with a focus on investment grade rated bonds (AAA – BBB-). The Sub-fund's portfolio will comprise a maximum of ten (10) percent of securities rated non-investment grade. The issuers will be located mainly in Europe and the US but could also come from other regions. Corporate issuers will include financial and non-financial issuers. The investments will be based on the Investment Manager's fundamental analysis of the issuers and guarantors of the bonds thus requiring high and ongoing standards of reporting of issuers or guarantors. The Sub-fund will focus on liquid bonds mainly coming from the IBOXX universe.

The Sub-fund may also hold, on an ancillary basis, liquid assets and Money Market Instruments. These investments include bank deposits and call money.

The Sub-fund may also enter into derivative contracts for the purpose of reducing the duration of its portfolio. Such derivative contracts will then typically include bond futures or bond index futures, where the underlying assets may not be limited to corporate bonds.

Profile of the typical Unitholder

In light of the Euro Bond Fund's investment objective it may be appropriate for investors who:

- Seek to invest in fixed income securities.
- Seek capital appreciation over the long-term.
- Accept the risks associated with this type of investment, as set out in the Section "Risks" above and "Risk factors" below.

Investment may not be appropriate for all investors. The Sub-fund is not intended to be a complete investment programme and investors should consider their long-term investment goals and financial needs when making an investment decision about the Sub-fund. An investment in the Sub-fund is intended to be a long-term investment. The Sub-fund should not be used as a trading vehicle.

Risk factors	<p>The following risk factors should be considered in addition to those set out under the heading "Risks" of this Prospectus:</p> <ul style="list-style-type: none"> ▪ Fixed-income securities are subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity. ▪ Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or Money Market Instruments. ▪ The value of fixed income securities held by the Sub-funds generally will vary inversely with changes in interest rates and such variation may affect Unit prices accordingly. While changes in interest rates may affect a Sub-fund's interest income, such changes may also positively or negatively affect the net asset value of the Sub-fund's Units on a daily basis. ▪ All fixed income or other debt securities have the fundamental risk that the issuer may be unable to make interest payments or repay the capital. Generally, government securities offer the lowest credit risk, which is reflected in their lower yield. Corporate debt offers a higher yield due to its higher risk. However changes in economic and political outlook affects the value of such securities. ▪ Due to the volatile nature of sub-investment grade assets and the corresponding risk of default, investors must be able to accept significant temporary losses to their capital and the possibility of fluctuations in the income return level of the Sub-fund. ▪ The factors that may cause credit risk fluctuations or can influence their scale include but are not limited to: <ol style="list-style-type: none"> 1. changes in company strategy; 2. changes to markets where companies operate; 3. changes in interest rates; 4. changes in employment, international trade, public expenditure and indebtedness, inflation or general change in economic conditions; 5. changes in the legal environment; and 6. change in investor confidence in investment type (e.g. bonds versus equities or cash). ▪ The Investment Manager will endeavour to mitigate the risks associated with sub-investment grade securities, by diversifying its holdings by issuer, industry and credit quality.
Reference Currency	EUR
Term of the Sub-fund	The Sub-fund has been established for unlimited duration.
Launch Date of the Sub-fund	8 September 2011
Initial Subscription Day	
Classes A to I	8 September 2011
Classes J and K	5 March 2012

Classes L and M	30 November 2012																																								
Initial Price	In the Classes A, B and C the Initial Price is 1,000 EUR. In the Classes D and E the Initial Price is 100 EUR. In the Classes F and G the Initial Price is 100 CHF. In the Classes H and I the Initial Price is 1,000 CHF. In the Classes J and K the Initial Price is 1,000 USD. In the Classes L and M the Initial Price is 100 USD.																																								
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	Classes F, G, H, I, J, K, L and M will be hedged against currency risks.																				
Minimum initial investment	<p>In the Classes A, B and C 500,000 EUR.</p> <p>In the Classes D and E 1,000 EUR.</p> <p>In the Classes F and G 1,000 CHF.</p> <p>In the Classes H and I 500,000 CHF.</p> <p>In the Classes J and K 500,000 USD.</p> <p>In the Classes L and M 1,000 USD.</p>																				
Minimum subsequent investment	<p>In the Classes A, B and C 200,000 EUR.</p> <p>In the Classes D and E 1,000 EUR.</p> <p>In the Classes F and G 1,000 CHF.</p> <p>In the Classes H and I 200,000 CHF.</p> <p>In the Classes J and K 200,000 USD.</p> <p>In the Classes L and M 1,000 USD.</p>																				
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	J	0.55%	
	K	0.55%	
	L	0.95%	
	M	0.95%	
Performance fee	No performance fee will be paid.		
Management Company Fee	A Management Company Fee calculated in accordance with the formula as disclosed in the general section (under page 44, Section 22.5 “Management Company Fee”) will be paid monthly in arrears on a pro rata basis out of the assets attributable to the Sub-Fund taking into account the latest NAV of the month of each Sub-Fund.		
Calculation method to calculate the global exposure	For the calculation of the global exposure in connection with the use of derivatives the Sub-fund will use the commitment approach.		

YCAP Credit Fundamental – YCAP Corporate Opportunity Fund (the "**Sub-fund**")

Investment objective

The Sub-fund seeks long-term growth of capital. The fundamental approach of the Sub-fund aims to weigh risks and return potentials to seek a sustainable performance.

Investment policy

The Sub-fund's investment objective is to seek to maximise total return through investment in bonds, credit default swaps, shares and share options. Credit default swaps will be entered by the fund on both protection buyer and protection seller side. The Sub-fund's portfolio will comprise of at least fifty (50) percent of liquid and investment grade rated corporate bonds (AAA – BBB-).

The remainder of the Sub-fund's portfolio will be invested to enhance performance by taking liquid, directional, relative value and structural positions in credit default swaps, shares, listed share options and corporate bonds. The Sub-fund will enter into short and long positions in credit default swaps to gain from changing differentials in the corresponding spreads (relative value trades). The Sub-fund will also sell or buy protection in credit default swap format to take advantage from expected spread changes (directional trades). In addition the Sub-fund will invest into combinations of shares and bonds or credit default swaps related to one corporate to take advantage from expected price moves associated with changing preferences of investors or the corporate's management relating to the liabilities of a corporate balance sheet. The Sub-fund can also invest into non-investment grade rated bonds to take a positive directional view. The investments will be based on the Investment Manager's fundamental analysis.

The Sub-fund may also hold, on an ancillary basis, liquid assets and Money Market Instruments. These investments include bank deposits and call money.

Currency risk may be hedged using currency futures/forwards while interest rate risk will be hedged using government bond futures.

Profile of the typical Unitholder

In light of the Corporate Opportunity Fund's investment objective it may be appropriate for investors who:

- Seek to invest in fixed income securities, credit default swaps, shares and share options.
- Seek capital appreciation over the long-term.
- Accept the risks associated with this type of investment, as set out in the Section "Risks" above and "Risk factors" below.

Investment may not be appropriate for all investors. The Sub-fund is not intended to be a complete investment programme and investors should consider their long-term investment goals and financial needs when making an investment decision about the Sub-fund. An investment in the Sub-fund is intended to be a long-term investment. The Sub-fund should not be used as a trading vehicle.

<p>Risk factors</p>	<p>The following risk factors should be considered in addition to those set out under the heading "Risks" of this Prospectus:</p> <ul style="list-style-type: none"> ▪ Fixed-income securities are subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity. ▪ Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or Money Market Instruments. ▪ Risks specific to credit default swaps: <ol style="list-style-type: none"> 1. Counter-party risk, which is the risk that the counter-party of the credit default swap transaction will default on its obligations. As protection buyer, the counter-party risk materialises only when a credit event occurs and if the protection seller would not be able to pay the protection buyer the face value of the contract. As protection seller the counter-party risk materialises if the protection buyer is not able to pay the periodic fees under the contract. The counterparty risk is however mitigated by the fact that the Sub-fund will only enter into CDS transactions with first class financial institutions as approved by the Investment Manager as derivative counterparty. 2. Credit risk, which is the risk carried by the protection seller that a credit event would occur in respect to the reference entity. In case of occurrence of a credit event, the capital loss for the protection seller might be substantial (and in case of the Sub-fund rise to a total loss of the Sub-fund's assets) as the protection seller would have to pay the face value of the contract to the protection buyer against being delivered by the protection buyer the obligations mentioned in the contract having a market value near to recovery rate. 3. Mark-to-market risk, which is the risk that a credit default swap investor runs by unwinding its position before the maturity of the contract. This risk is affected by the liquidity of the underlying contract. The lower the liquidity, the higher the unwinding costs. ▪ The value of fixed income securities held by the Sub-fund generally will vary inversely with changes in interest rates and such variation may affect Unit prices accordingly. While changes in interest rates may affect the Sub-fund's interest income, such changes may also positively or negatively affect the net asset value of the Sub-fund's Units on a daily basis.
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	<ul style="list-style-type: none"> ▪ All fixed income or other debt securities have the fundamental risk that the issuer may be unable to make interest payments or repay the capital. Generally, government securities offer the lowest credit risk, which is reflected in their lower yield. Corporate debt offers a higher yield due to its higher risk. However changes in economic and political outlook affect the value of such securities. ▪ Due to the volatile nature of sub-investment grade assets and the corresponding risk of default, investors must be able to accept significant temporary losses to their capital and the possibility of fluctuations in the income return level of the Sub-fund. ▪ The factors that may cause credit risk fluctuations or can influence their scale include but are not limited to: <ol style="list-style-type: none"> 1. changes in company strategy; 2. changes to markets where companies operate; 3. changes in interest rates; 4. changes in employment, international trade, public expenditure and indebtedness, inflation or general change in economic conditions; 5. changes in the legal environment; and 6. change in investor confidence in investment type (e.g. bonds versus equities or cash). ▪ The Investment Manager will endeavour to mitigate the risks associated with sub-investment grade securities, by diversifying its holdings by issuer, industry and credit quality. ▪ Units are subject to price volatility, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or Money Market Instruments. ▪ Currency fluctuations may adversely affect the value of the Sub-fund's investments.
Reference Currency	EUR
Term of the Sub-fund	The Sub-fund has been established for unlimited duration.
Launch Date of the Sub-fund	18 November 2011
Initial Subscription Day Classes A to I	18 November 2011

Classes J and K	5 March 2012																																								
Classes L and M	30 November 2012																																								
Initial Price	In the Classes A, B, C, D and E the Initial Price is 1,000 EUR. In the Classes F, G, H and I the Initial Price is 1,000 CHF. In the Classes J, K, L and M the Initial Price is 1,000 USD.																																								
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	J	USD	Institutional Investors	accumulating
	K	USD	Institutional Investors	distributing
	L	USD	Retail Investors	accumulating
	M	USD	Retail Investors	distributing
	Classes F, G, H, I, J, K, L and M will be hedged against currency risks.			
Minimum initial investment	In Classes D, E, F, G, L and M 10,000 EUR or respectively 10,000 CHF or respectively 10,000 USD. In all other Classes 500,000 EUR or respectively 500,000 CHF or respectively 500,000 USD.			
Minimum subsequent investment	In Classes D, E, F, G, L and M 10,000 EUR or respectively 10,000 CHF or respectively 10,000 USD. In all other Classes 200,000 EUR or respectively 200,000 CHF or respectively 200,000 USD.			
Valuation Day	The NAV will be calculated on any Business Day.			
Management Fee	Class	Management Fee		
	A	0.23%		
	B	0.75%		
	C	0.75%		
	D	1.1%		
	E	1.1%		
	F	1.15%		
	G	1.15%		
	H	0.80%		
	I	0.80%		
	J	0.80%		
	K	0.80%		
	L	1.15%		

	M	1.15%	
Performance Fee	No performance fee will be charged.		
Management Company Fee	A Management Company Fee calculated in accordance with the formula as disclosed in the general section (under page 44, Section 22.5 “Management Company Fee”) will be paid monthly in arrears on a pro rata basis out of the assets attributable to the Sub-Fund taking into account the latest NAV of the month of each Sub-Fund.		
Calculation method to calculate the global exposure	<p>For the calculation of the global exposure in connection with the use of derivatives the Sub-fund will use the value-at-risk approach, calculating the absolute VaR.</p> <p>The fund will have as an indication a leverage of between 0% - 200%.</p> <p>The leverage will be calculated as the sum of the notionals of the derivatives used.</p>		

YCAP Credit Fundamental – YCAP High Yield Extensus Fund (the "**Sub-fund**")

Investment objective

The Sub-fund seeks mid-term growth of capital. The fundamental approach of the Sub-fund aims to weigh risks and return potentials to seek a sustainable performance.

Investment policy

The Sub-fund's investment objective is to seek to maximise total return through investment in bonds, credit default swaps, bond futures and other debt securities of corporate issuers with a focus on non-investment grade rated issuers (below BBB-). Credit default swaps will be entered by the fund on both protection buyer and protection seller side. The Sub-fund's portfolio will comprise of at least fifty (50) percent of non-investment grade rated corporate bonds. The securities will be denominated in Euro or other currencies (the corresponding risks will be hedged). Corporate issuers will include financial and non-financial issuers. The investments will be based on the Investment Manager's fundamental analysis of the issuers and guarantors of the bonds thus requiring high and ongoing standards of reporting of issuers or guarantors.

An essential add-on to the bond investments will be delivered through tactical positioning by means of credit default swaps that will be utilized for both performance enhancement and hedging.

Buy-protection CDS strategies allow achieving certain immunization of the portfolio against the negative sentiment during weaker market cycles. Furthermore, both buy- and sell-protection CDS trades are a suitable instrument to respond to market disruptions.

Additionally, selling CDS-protection on a company with solid fundamentals and promising business perspectives often offers more attractive Risk/Return in comparison to a pure bond investment especially when the inventory in the bond markets is not sufficient.

The Sub-fund may also hold, on an ancillary basis, liquid assets and Money Market Instruments. These investments include bank deposits and call money.

The Sub-fund may also enter into derivative contracts for the purpose of reducing the corresponding risks. Currency risk will be hedged using currency futures/forwards while interest rate risk may be hedged using government bond futures.

Apart from the rigorous asset selection on the basis of fundamental analysis, the downside risk of the Fund will be limited by means of managed volatility of the key asset class. The limit, determined at the beginning of each year according to the market conditions, will be maintained within the defined frame and continuously managed, e.g. higher volatility will be limited by means of reduction of the positions with the highest contribution, CDS protection buying for the most volatile names etc.

Profile of the typical Unitholder

In light of the Fund's investment objective it may be appropriate for investors who:

- Seek to invest in fixed income securities.
- Seek capital appreciation over the mid-term.
- Accept the risks associated with this type of investment, as set out in the Section "Risks" above and "Risk factors" below.

Investment may not be appropriate for all investors. The Sub-fund is not intended to be a complete investment programme and investors should consider their long-term investment goals and financial needs

	<p>when making an investment decision about the Sub-fund. An investment in the Sub-fund is intended to be a mid-term investment. The Sub-fund should not be used as a trading vehicle.</p>
<p>Risk factors</p>	<p>The following risk factors should be considered in addition to those set out under the heading "Risks" of this Prospectus:</p> <ul style="list-style-type: none"> ▪ Fixed-income securities, especially non-investment grade rated, are subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity. ▪ Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or Money Market Instruments. <ul style="list-style-type: none"> ▪ Risks specific to credit default swaps: <ol style="list-style-type: none"> 1. Counter-party risk, which is the risk that the counter-party of the credit default swap transaction will default on its obligations. As protection buyer, the counter-party risk materialises only when a credit event occurs and if the protection seller would not be able to pay the protection buyer the face value of the contract. As protection seller the counter-party risk materialises if the protection buyer is not able to pay the periodic fees under the contract. The counterparty risk is however mitigated by the fact that the Sub-fund will only enter into CDS transactions with first class financial institutions as approved by the Investment Manager as derivative counterparty. 2. Credit risk, which is the risk carried by the protection seller that a credit event would occur in respect to the reference entity. In case of occurrence of a credit event, the capital loss for the protection seller might be substantial (and in case of the Sub-fund rise to a total loss of the Sub-fund's assets) as the protection seller would have to pay the face value of the contract to the protection buyer against being delivered by the protection buyer the obligations mentioned in the contract having a market value near to recovery rate. 3. Mark-to-market risk, which is the risk that a credit default swap investor runs by unwinding its position before the maturity of the contract. This risk is affected by the liquidity of the underlying contract. The lower the liquidity, the higher the unwinding costs.

	<ul style="list-style-type: none"> ▪ The value of fixed income securities held by the Sub-fund generally will vary inversely with changes in interest rates and market sentiment and such variation may affect Unit prices accordingly. While changes in interest rates may affect a Sub-fund's interest income, such changes may also positively or negatively affect the net asset value of the Sub-fund's Units on a daily basis. ▪ All fixed income or other debt securities have the fundamental risk that the issuer may be unable to make interest payments or repay the capital. Generally, investment-grade rated securities offer lower credit risk, which is reflected in their lower yield. Non-investment grade corporate debt offers a higher yield due to its higher risk. However changes in economic and political outlook may affect the value of both group of securities. ▪ Due to the volatile nature of non-investment grade assets and the corresponding risk of default, investors must be able to accept significant temporary losses to their capital and the possibility of fluctuations in the income return level of the Sub-fund. ▪ The factors that may cause credit risk fluctuations or can influence their scale include but are not limited to: <ol style="list-style-type: none"> 1. changes in company strategy; 2. changes to markets where companies operate; 3. changes in interest rates; 4. changes in employment, international trade, public expenditure and indebtedness, inflation or general change in economic conditions; 5. changes in the legal environment; and 6. change in investor confidence in investment type (e.g. bonds versus equities or cash). ▪ The Investment Manager will endeavour to mitigate the risks by diversifying its holdings by issuer, industry and credit quality.
Reference Currency	EUR
Term of the Sub-fund	The Sub-fund has been established for unlimited duration.
Launch Date of the Sub-fund	20 February 2013
Initial Subscription Day	20 February 2013
Initial Price	<p>In the Classes A, B and C the Initial Price is 1,000 EUR.</p> <p>In the Classes D and E the Initial Price is 100 EUR.</p> <p>In the Classes F and G the Initial Price is 1000 CHF.</p> <p>In the Classes H and I the Initial Price is 100 CHF.</p> <p>In the Classes J and K the Initial Price is 1,000 USD.</p> <p>In the Classes L and M the Initial Price is 100 USD.</p>
Subscription Commission	No Subscription Commission is charged.

Redemption Commission	No Redemption Commission is charged.			
Conversion Commission	No Conversion Commission is charged.			
Sub-fund Subscription Deadline	At least 12.00 CET on the relevant Valuation Day.			
Sub-fund Redemption Deadline	At least 12.00 CET on the relevant Valuation Day.			
Sub-fund Conversion Deadline	At least 12.00 CET on the relevant Valuation Day.			
Class(es)	Units will be issued in the following Classes:			
	Class	Currency	Eligible Investor(s)	Accumulating/distributing
	A	EUR	Seed Investor	accumulating
	B	EUR	Institutional Investors	accumulating
	C	EUR	Institutional Investors	distributing
	D	EUR	Retail Investors	accumulating
	E	EUR	Retail Investors	distributing
	F	CHF	Institutional Investors	accumulating
	G	CHF	Institutional Investors	distributing
	H	CHF	Retail Investors	accumulating
	I	CHF	Retail Investors	distributing
	J	USD	Institutional Investors	accumulating
	K	USD	Institutional Investors	distributing
	L	USD	Retail Investors	accumulating
	M	USD	Retail Investors	distributing
	N	EUR	Institutional Investors	accumulating
	O	EUR	Institutional Investors	distributing

	Classes F, G, H, I, J, K, L and M will be hedged against currency risks.																											
Minimum initial investment	<p>In the Classes A, B and C 200,000 EUR.</p> <p>In the Classes D and E 1,000 EUR.</p> <p>In the Classes F and G 200,000 CHF.</p> <p>In the Classes H and I 1,000 CHF.</p> <p>In the Classes J and K 200,000 USD.</p> <p>In the Classes L and M 1,000 USD.</p> <p>In the Classes N and O 1,000,000 EUR.</p>																											
Minimum subsequent investment	<p>In the Classes A, B and C 200,000 EUR.</p> <p>In the Classes D and E 1,000 EUR.</p> <p>In the Classes F and G 200,000 CHF.</p> <p>In the Classes H and I 1,000 CHF.</p> <p>In the Classes J and K 200,000 USD.</p> <p>In the Classes L and M 1,000 USD.</p> <p>In the Classes N and O 500,000 EUR. The combined volume of Classes N and O is limited at the maximum size of 100,000,000 EUR and the share classes will not accept subscriptions going over this amount.</p>																											
Valuation Day	The NAV will be calculated on any Business Day.																											
Management Fee	<table border="1"> <thead> <tr> <th>Class</th> <th>Management Fee</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>0.23%</td> </tr> <tr> <td>B</td> <td>0.75%</td> </tr> <tr> <td>C</td> <td>0.75%</td> </tr> <tr> <td>D</td> <td>1.10%</td> </tr> <tr> <td>E</td> <td>1.10%</td> </tr> <tr> <td>F</td> <td>0.80%</td> </tr> <tr> <td>G</td> <td>0.80%</td> </tr> <tr> <td>H</td> <td>1.15%</td> </tr> <tr> <td>I</td> <td>1.15%</td> </tr> <tr> <td>J</td> <td>0.80%</td> </tr> <tr> <td>K</td> <td>0.80%</td> </tr> <tr> <td>L</td> <td>1.15%</td> </tr> </tbody> </table>	Class	Management Fee	A	0.23%	B	0.75%	C	0.75%	D	1.10%	E	1.10%	F	0.80%	G	0.80%	H	1.15%	I	1.15%	J	0.80%	K	0.80%	L	1.15%	
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L	1.15%																											

	M	1.15%	
	N	0.25%	
	O	0.25%	
Performance fee	No performance fee will be paid.		
Management Company Fee	A Management Company Fee calculated in accordance with the formula as disclosed in the general section (under page 44, Section 22.5 “Management Company Fee”) will be paid monthly in arrears on a pro rata basis out of the assets attributable to the Sub-Fund taking into account the latest NAV of the month of each Sub-Fund.		
Calculation method to calculate the global exposure	<p>For the calculation of the global exposure in connection with the use of derivatives the Sub-fund will use the value-at-risk approach, calculating the absolute VaR.</p> <p>The Sub-fund will have as an indication a leverage of between 0% - 200%.</p> <p>The leverage will be calculated as the sum of the notionals of the derivatives used.</p>		

YCAP Credit Fundamental – YCAP ABS Opportunity Fund (the "**Sub-fund**")

Investment objective

The Sub-fund's objective is long-term growth of capital. The Sub-fund will mainly invest in European Asset-Backed Securities ("ABS"), but can also invest in fixed and variable rate securities, corporate bonds and money market instruments.

The Sub-fund will set up opportunistic ABS-investments to take advantage of the current conditions in the capital markets specified by participating in on-going growth and development of European ABS opportunities. The management aims to capture the recovery in value of a highly diversified portfolio of European ABS, mainly senior and mezzanine tranches. The Sub-fund will invest through secondary markets as well as initial public offerings and tends to have a diversified portfolio.

Investment policy

The Sub-fund will mainly invest in EUR denominated assets – other currencies are also eligible. The Sub-fund will invest into investment-grade rated transferable securities and also invest into transferable securities which are rated below investment-grade or not-rated. Investments will be made in instruments carrying a fixed coupon or a variable coupon. These investments will mainly consist of Asset-Backed Securities, including Mortgage Backed Securities and Collateral Debt Obligations. The Sub-fund may also invest in corporate bonds, government bonds and covered bonds especially to reduce default risk in times of severe stress.

The Sub-fund may as well enter into derivative contracts for the purpose of reducing currency and duration risks of its portfolio. Such derivative contracts will then typically include futures and forwards.

The Sub-fund may enter into interest rate swaps. Interest rate swaps involve the exchange by the Issuer with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party, and only the net amount, is paid by one party to the other. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis.

The Sub-fund may also enter into currency swap transactions. A currency swap is an agreement between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity. This exchange ensures that neither party is subject to currency risk because the exchange rates are predetermined.

The investments made in this Sub-fund may be subject to fluctuations and no guarantee can be given that the value of the Sub-fund will not fall below the value at the time of acquisition. The market value of ABS can be negatively influenced during the lifetime due to the specific structure of these securities. This can negatively affect the net asset value of the Sub-fund.

Investment restrictions: The Sub-fund will be subject to the following investment limits:

- **Asset Class Limit**

<i>Backed Securities (e.g. ABS, RMBS, CMBS, CLOs)</i>	<i>up to 100%</i>
<i>Investment Grade</i>	<i>up to 100%</i>
<i>Non Investment Grade</i>	<i>up to 100%</i>
<i>Corporate Bonds (Investment Grade)</i>	<i>max. 50%</i>
<i>Corporate Bonds (Non Investment Grade)</i>	<i>max. 30%</i>
<i>Covered Bonds</i>	<i>max. 30%</i>

<p><i>Government Bonds</i> <i>max. 30%</i></p> <p><i>Money Market Instruments</i> <i>up to 100%</i></p> <p>• Country Limits</p> <p><i>Europe (Member States of the European Union)</i> <i>up to 100%</i></p> <p><i>Non-Europe</i> <i>max. 10%</i></p> <p>The Sub-fund may, when the market conditions so require, either hold on an ancillary basis cash and cash equivalents or be fully invested in cash for a defensive purposes.</p>	
<p>Profile of the typical Unitholder</p>	<p>Investment in the Sub-fund may not be appropriate for all investors. The Sub-fund is not intended to be a complete investment program and investors should consider their long-term investment goals and financial needs when making an investment decision about the Sub-fund. An investment in the Sub-fund is intended to be a long-term investment. The Sub-fund should not be used as a trading vehicle.</p> <p>Typical investors would:</p> <ul style="list-style-type: none"> ▪ Seek to invest in European ABS / fixed income securities. ▪ Seek capital and opportunity appreciation over the long-term. ▪ Do not seek regular income distributions. ▪ Accept the risks associated with this type of investment, as set out in the Section "Risk Considerations" above and "Risk factors" below.
<p>Risk factors</p>	<p>The following risk factors should be considered in addition to those yet set out under the section "Risks" of this Prospectus:</p> <ul style="list-style-type: none"> ▪ Fixed-income securities are subject to credit risk, which is an issuer's inability to meet principal and interest payments on the obligations, and may be subject to price volatility due to interest rate sensitivity. ▪ Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money market instruments. <p>Specific risks to ABS</p> <ul style="list-style-type: none"> ▪ The value of fixed income securities held by the Sub-fund generally will vary inversely with changes in interest rates and such variation may affect Unit prices accordingly. While changes in interest rates may affect the Sub-fund's interest income, such changes may also positively or negatively affect the net asset value of the Sub-fund's units on a daily basis. ▪ All fixed income or other debt securities have the fundamental risk that the issuer may be unable to make interest payments or repay the capital. Generally, government securities offer the

	<p>lowest credit risk, which is reflected in their lower yield. Corporate debt offers a higher yield due to its higher risk. However changes in economic and political outlook may affect the value of such securities.</p> <ul style="list-style-type: none"> ▪ Due to the volatile nature of sub-investment grade assets and the corresponding risk of default, investors must be able to accept significant temporary losses to their capital and the possibility of fluctuations in the income return level of the Sub-fund. ▪ The factors that may cause credit risk fluctuations or can influence their scale include but are not limited to: <ol style="list-style-type: none"> 1. changes in company strategy; 2. changes to markets where companies operate; 3. changes in interest rates; 4. changes in employment, international trade, public expenditure and indebtedness, inflation or general change in economic conditions; 5. changes in the legal environment; and 6. change in investor confidence in investment type (e.g. bonds versus equities or cash). ▪ The Investment Manager will endeavour to mitigate the risks associated with sub-investment grade securities, by diversifying its holdings by issuer, industry and credit quality ▪ Units are subject to price volatility, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or Money Market Instruments. ▪ Currency fluctuations may adversely affect the value of the Sub-fund's investments.
Reference Currency	EUR
Term of the Sub-fund	The Sub-fund has been established for unlimited duration.
Launch Date of the Sub-fund	Effective date of the Merger ^{0F1}
Initial Subscription Day Classes A to G	Effective date of the Merger ²
Initial Price	In the Classes A, and B, the Initial Price is based on the Merger's share exchange ratio ^{1F2} .

¹ Being the contemplated merger involving the absorption by the Sub-fund of YCAP Opportunity Investment SICAV-SIF – YCAP ABS Opportunity Fund, as further described in the merger project entered into between YCAP Opportunity Investment SICAV-SIF and the Management Company (the “Merger Project”).

² As determined pursuant to the procedures laid down in the Merger Project.

	<p>In the Class C, the Initial Price is 1,000 EUR.</p> <p>In the Classes D and E the Initial Price is 1,000 CHF.</p> <p>In the Classes F and G the Initial Price is 1,000 USD.</p>																																								
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Minimum initial investment	In Classes B, C, D, E, F and G 50,000 EUR or respectively 50,000 CHF or respectively 50,000 USD.																																								

	In Classes H and I 1,000,000 EUR.																				
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Calculation method to calculate the global exposure	For the calculation of the global exposure in connection with the use of derivatives the Sub-fund will use the value-at-risk approach, calculating the absolute VaR. The fund will have as an indication a leverage of between 0% - 200%. The leverage will be calculated as the sum of the notionals of the derivatives used.																				