
PHARMA/wHEALTH

Investment fund
organized under the laws of the Grand Duchy of Luxembourg

Prospectus / Management Regulations
February 2015

This prospectus is only valid in connection with
Appendix A dated February 2015 and Appendix B dated February 2015.

PHARMA/wHEALTH Management Company S.A.

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The Prospectus and Management Regulations are divided into a General Section and a Specific Section. The General Sections include legal information and general investment guidelines. The Specific Sections set out Fund-specific information and the Fund's own specific investment policy.

This Prospectus is only valid in conjunction with the most recent annual report, whose year end must not be more than 16 months ago. If the year end of the annual report dates back more than eight months, in addition a semi-annual report will also be decisive. The above mentioned documents will be provided on request to existing and potential investors free of charge.

A summary of the PHARMA/wHEALTH Fund is available in form of a short document containing key investor information ("KII"). The KII shall be provided to investors in good time before their proposed subscription of Units free of charge.

Any information other than that contained in this Prospectus, the management regulations, the key investor information (KII), and information contained in the annual and semi-annual reports as well as already in the public domain may not be distributed to the public. Any purchase of Units based on information or declarations not contained in these documents shall be at the purchaser's own risk.

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/or the KII and any persons wishing to make application for Units pursuant to this Prospectus and/or

the KII to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. In particular, the Units have not been and will not be registered under the United States Securities Act of 1933, as amended (nor has the Management Company been registered under the United States Investment Company Act of 1940, as amended) and may not be publicly offered, 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 other than in accordance with the laws of the United States.

PHARMA/wHEALTH

(hereinafter the “Fund”)

The Fund’s investment objective is long-term growth of capital through investment worldwide in securities of companies of all areas of the healthcare sector including pharmaceutical, biotechnology, medical devices and healthcare services. At any time at least two thirds of the Fund’s assets (excluding liquid assets) shall be invested accordingly. The portfolio diversification within the healthcare sector gives the Fund a more balanced risk profile than a portfolio comprised solely of securities of biotechnology companies.

In order to achieve the Fund’s investment objective, the Management Company is authorised, subject to the provisions of the Management Regulations, to purchase and sell securities and other assets as permitted by the Management Regulations. Thus, the Fund may also invest on an ancillary basis in liquid assets which shall not exceed 49 % of the Fund Assets. Such liquid assets may be kept in current accounts or in short term regularly negotiated money market instruments having a remaining maturity of less than 12 months which shall be issued or guaranteed by issuers or guarantors with ratings of at least A1/P1.

In accordance with the principle of risk diversification, the Fund’s assets will generally be invested in transferable securities and other assets that are permitted under the Management Regulations. Within the limits laid down by the investment restrictions applicable to the Fund pursuant to the Management Regulations, the Investment Managers may also buy non-transferable securities for the Fund’s account.

The purchase of shares or units of other UCITS and/or UCIs in accordance with Article 4, section 2 e) of the Management Regulation (General Section) is, contrary to the provision set forth under Article 4, section 4 h) and i) of the Management Regulation (General Section), limited to 10 % of the Fund’s assets.

Multi-Manager approach for strong performance

In order to provide both breadth and depth in expertise and research, as well as a balanced investment policy, the Fund uses a number of independent investment managers (the "Investment Managers", each of them being referred to as an "Investment Manager") with varying approaches to investment. This multi-manager strategy enables the Fund to select, what it believes, are the very best independent experts in the U.S. and Europe – external fund managers who have long track records and are the best in their field. Thus, the Fund aims to create the best possible conditions for long-term growth.

Unit classes

Currently there are 5 types of Unit classes (individually a “Class” and collectively “Classes”) available:

- Class R-Units (USD) and Class I-Units (USD)
- Class R-Units (EUR), Class R-Units (EUR H) and Class I-Units (EUR)

Class R-Units (USD) and Class I-Units (USD) are denominated in the reference currency of the Fund, which is USD. Class R-Units (EUR) and Class I-Units (EUR) are converted into EURO.

The Management Company intends to hedge the exposure of the Class R-Units (EUR H) against the reference currency of the Fund, in order to mitigate the effect of fluctuations in the exchange rate between the currency of this specific Class, which is EURO, and the reference currency. The additional costs of hedging may substantially reduce the benefit of the Class R-Units (EUR H). Costs and/or profit shall, in principle, be for the account of the Class R-Units (EUR H) only. However, currency hedging transactions effected for Class R-Units (EUR H) may, in extreme cases, impact on the Net Asset Value of the other classes of units.

Subscription to Class R-Units (USD), Class R-Units (EUR) and/or Class R-Units (EUR H) is open to any investor. Subscription to Class I-Units (USD) and/or Class I-Units (EUR) is restricted to institutional investors (“Institutional Investors”). Fractions of Units are issued up to one thousandth unit for Class R-Units (USD), Class I-Units (USD), Class R-Units (EUR), Class R-Units (EUR H) and Class I-Units (EUR). Fractional Units and different Classes of Units reserved to different types of investors may be issued upon decision of the Management Company, in which case the Prospectus will be updated accordingly.

What you should know about the Fund:

ISIN Codes:	Class R-Units (USD):	LU0047275846
	Class I-Units (USD):	LU0215655985
	Class R-Units (EUR):	LU0278952477
	Class R-Units (EUR H):	LU0278953525
	Class I-Units (EUR):	LU0278953871
WKN:	Class R-Units (USD):	973.039
	Class I-Units (USD):	A0EACE
	Class R-Units (EUR):	A0LFPY
	Class R-Units (EUR H):	A0LFPZ
	Class I-Units (EUR):	A0LFP0
Initial issue date of Units:	23 November 1993	
Reference currency:	USD	
Sales charge:	for all Unit classes up to 2 % of the Net Asset Value per Unit in favour of the distributor	
Management fee:	Class R-Units (USD):	up to 2 % p.a. of the Fund’s Net Assets
	Class R-Units (EUR):	up to 2 % p.a. of the Fund’s Net Assets
	Class R-Units (EUR H):	up to 2 % p.a. of the Fund’s Net Assets
	Class I-Units (USD):	up to 1.25 % p.a. of the Fund’s Net Assets

Class I-Units (EUR):	up to 1.25 % p.a. of the Fund's Net Assets A Performance Fee can be levied in accordance with Art. 21 sub-section 8 of the Management Regulations (Specific Section).
Custody fee:	up to 0.2 % p.a. of the Fund's Net Assets (plus value added tax)
Units:	There is no entitlement to the physical delivery of Unit certificates.

In addition to these remuneration and fees, the expenses set out under Article 9, sub-section 2 of the Management Regulations (General Section) and Article 21 of the Management Regulation (Specific Section) shall be charged to the Fund.

Minimum investment:	Class R-Units (USD):	5,000.- USD
	Class R-Units (EUR):	5,000.- USD
	Class R-Units (EUR H):	5,000.- USD
	Class I-Units (USD):	3 Million USD
	Class I-Units (EUR):	3 Million USD

Minimum subsequent Investment:	Class R-Units (USD):	250.- USD
	Class R-Units (EUR):	250.- USD
	Class R-Units (EUR H):	250.- USD
	Class I-Units (USD):	10,000.- USD
	Class I-Units (EUR):	10,000.- USD

Redemption fee:	Not applicable
Conversion fee:	up to 2 % in favour of the distributors
Financial year:	1 January to 31 December

Distribution policy: The Units are dividend roll-up units.

Risk profile:	The Fund shows a higher risk-reward-ratio. Its performance remains dependent upon price movements on stock exchanges and the foreign exchange markets. Although the healthcare sector has historically experienced growth in excess of general economic growth, this may not occur in the future. Stocks and other securities of innovative companies in the biotechnology and health care sectors in the broader sense can feature distinctive market price fluctuations. Therefore, the Fund's performance can vary considerably more than would be expected if the fund diversified its assets more balanced throughout the total market. Furthermore, the focus on a specific sector can lead to a unit price development which may differ from the general market trend.
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Investor profile:	The Fund is suitable for long term investment and constitutes an ideal equity investment to add diversification to balanced portfolios. Investors should be aware of the risks linked to a higher profit potential of equity investments.
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Performance history: Details on the performance history are contained in the KII and the annual and semi-annual reports.

PHARMA/wHEALTH is a mutual investment fund of the contractual type ("*fonds commun de placement*") subject to the dispositions of Part I of the Law of 2010 and established for an indefinite period.

The Fund's management company in Luxembourg is PHARMA/wHEALTH Management Company S.A., a *société anonyme* incorporated under Luxembourg law. The Fund is managed pursuant to the laws of Luxembourg.

Notification of the filing of the Fund's Management Regulations (Specific Section) with the Company and Trade Register in Luxembourg was published in the Mémorial on 15 March 2012.

The Management Company also publishes the KII, which includes key investor information about the essential characteristics of the Fund. The KII shall be provided to potential investors and Unitholders so that they are reasonably able to understand the nature and the risks of the Fund and, on this basis, may take investment decisions on an informed basis. The KII shall provide information on the following essential elements in respect of the Fund:

- a) identification of the Fund;
- b) a short description of the Fund's investment objectives and investment policy;
- c) past performance presentation or, where relevant, performance scenarios;
- d) costs and associated charges; and
- e) risk/reward profile of the Fund, including appropriate guidance and warnings in relation to the risks associated with investments in relation to the Fund.

The Prospectus and the KII will be updated from time to time. The most recent version of the Prospectus and the KII can be requested from the Management Company, the Custodian Bank and the Paying Agents.

The Units of the Fund are listed on the Luxembourg Stock Exchange.

The Law of July 28, 2014 (the « 2014 Law») regarding the immobilisation of bearer shares and units has introduced some changes affecting bearer shares and units (the «Units»). The 2014 Law provides that Units of Luxembourgish public limited companies, partnerships limited by shares and investment funds ("*fonds commun de placement*") have to be registered and deposited with an appointed depositary. Deutsche Bank Luxembourg S.A., 2, boulevard Konrad Adenauer, L-1115 Luxembourg has been appointed as a depositary in accordance with the 2014 Law.

In case the Units have not been deposited and registered with the depositary until 18 February 2016 the 2014 Law provides that the Units will be cancelled. Through the cancellation of such Units the capital will be decreased accordingly. The cash equivalent of such cancelled Units will be deposited with the "*Caisse de Consignation*", until a person proving ownership of such cancelled Units claims restitution.

Risk Management

The Management Company uses a risk management process for the Fund in accordance with the Law of 2010 and other applicable regulations, in particular Circular CSSF 11/512 and 13/559. The risk management process enables the Management Company to assess and measure the exposure of the Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Fund.

To ascertain the global exposure of the Fund, the Management Company uses the relative VaR approach.

In financial risk management, the VaR is a widely used risk measure of the risk of loss on a specific portfolio of assets. For a given investment portfolio, probability and time horizon, VaR is defined as the level of loss which under the given probability will not be exceeded. For the purpose of calculating the VaR, mark-to-market prices of the assets in the investment portfolio will be used and it will be assumed that no trading in the investment portfolio will occur.

For the purposes of risk mitigation, the global exposure of all assets of the Fund, which is calculated according to the VaR, may not be more than double the VaR of a reference portfolio with the same market value. The index NASDAQ Biotechnology and the index MSCI World Health Care shall be used to an extent of 50 % each as reference portfolio. Additional information concerning the reference portfolio shall be made available by the Management Company free of charge.

The Management Company is expecting a leverage between 0 % to 100 % of the Fund's Net Assets. This percentage does not constitute an additional investment limit and can vary from time to time. Under certain circumstances the level of leverage might exceed the before mentioned range, e.g. in case of higher market volatility. The method used for the determination of the level of leverage is the sum of the notionals.

Definitions:

“CSSF”:	<i>Commission de Surveillance du Secteur Financier</i> (the Commission for the Supervision of the Financial Sector in Luxemburg) or its successor, which has been commissioned with the supervision of undertakings in collective investments in the Grand Duchy of Luxemburg.
“Custodian Bank”:	Sal. Oppenheim jr. & Cie. Luxembourg S.A. acting as custodian bank.
“Derivatives”:	A derivative financial instrument, i.e. in particular options and futures as well as swaps, including equivalent instruments entailing cash settlements, which are traded on a stock exchange or a Regulated Market.
“EU Savings-Directive”:	European Directive 2003/48/EC on taxation of savings income in the form of interest payments, as amended and/or replaced.
“Feeder Fund”:	A UCITS, which has been approved and invests at least 85% of its own assets in units of another UCITS or sub-funds thereof (i.e. of the Master Fund).
“Fund Assets”:	The eligible assets within the meaning of the Law of 2010 of the Fund or Sub-fund, as the case may be.
“Fund’s Net Assets”:	The assets of the Fund or Sub-fund less the liabilities attributable to the Fund or Sub-fund.
“KII”:	“Key Investor Information” is a short document for investors containing key information in relation to the Fund.
“Law of 1915”:	The Luxembourg Law of 10 August 1915 on commercial companies, as amended and/or replaced.
“Law of 2010”:	The Luxemburg Law of 17 December 2010 relating to certain undertakings for collective investment in transferable securities, as amended and/or replaced.
“Main Paying Agent”:	Sal. Oppenheim jr. & Cie. Luxembourg S.A. acting as main paying agent.
“Management Company”:	PHARMA/wHEALTH Management Company S.A. acting as management company of the Fund.
“Management Regulations”:	The management regulations of the Fund.

“Master Fund”:	A UCITS or a sub-fund thereof, in which one or more Feeder Funds invest at least 85% of their assets.
“Mémorial”:	<i>Mémorial C, Recueil des Sociétés et Associations</i> , the official gazette of the Grand Duchy of Luxembourg.
“Money-Market Instruments”:	Instruments which are normally traded on the money market, which are liquid and whose value can be precisely determined at any time.
“Net Asset Value”:	The Net Asset Value is the sum of all units in the Fund or the respective Sub-funds
“Net Asset Value per Unit”:	The value of a Unit, expressed in the Reference Currency and determined in accordance with the provisions of Article 7 of the Management Regulations (General Section).
“OECD”:	The Organization for Economic Cooperation and Development, which brings together world countries committed to democracy and market economy.
“OTC derivative”:	Derivative financial instrument, that is neither traded on a stock exchange nor a Regulated Market.
“Prospectus”:	The prospectus of the Fund.
“Reference Currency”:	The currency of the Fund or the relevant Sub-fund as referenced in the Specific Section of the Management Regulations.
“Regulated Market”:	A market as defined by the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments (including any subsequent amendments and supplements).
“Section”:	A section in the Prospectus and/or the Management Regulations.
“Sub-fund”:	Sub-fund means a separate portfolio of assets, which pursues a specific investment policy and for which separate liabilities, revenues and expenses accrue. The assets of the Sub-fund can only be used to satisfy the claims of the unitholders in relation to the Sub-fund and the claims of creditors, which arise in connection with the establishment, management and liquidation of the Sub-fund.
“Third Country”:	Any country which is not a member of the European Union or the European Economic Area.

“Transferable Securities”:	As set out in article 1 no. 34 of the Law of 2010, i.e.: <ul style="list-style-type: none"> - stocks and securities equivalent to stocks (“stocks”) - debt securities and other securitized claims (“debt securities”) - all other marketable securities, which can be subscribed to or exchanged for the purpose of purchasing securities, provided that they are not among the instruments and techniques set out in no. 7 of this article.
“UCI”:	Undertaking for Collective Investment.
“UCITS”:	An undertaking for collective investment in transferable securities, which is subject to the UCITS Directive.
“UCITS Directive”:	The European Directive 2009/65/EC of the Council dated 13 July 2009 relating to certain undertakings for collective investment in transferable securities (including subsequent amendments and supplements).
“Unit”:	A unit of the Fund or, as the case may be, of a Sub-fund.
“Unitholder”:	the holder of one or more Units.
“Valuation day”:	Any day on which banks and stock exchanges are open for business in New York and Luxembourg.
“VaR”:	Value at risk, a risk measurement method.

Prospectus (General Section)

Management Company

PHARMA/wHEALTH Management Company S.A. was organized for an unlimited period of time as a *société anonyme* under the laws of Luxembourg by notarial deed dated 13 October 1993, published in the Mémorial on 18 November 1993. Its Articles of Association were last amended on April 28, 2006 and filed with the Company and Trade Register in Luxembourg on 10 May 2006. A notice of this filing was published in the Mémorial on 11 July 2006.

The Management Company is authorized under Chapter 15 of the Law of 2010 and complies with the equity capital requirements of this law.

The registered office of the Management Company is in the City of Luxembourg. It is registered with the Luxembourg Company and Trade Register under No. B 45.176.

The object of the Management Company is the creation and management of the Fund on behalf of its Unitholders. It may carry out administration and management on behalf of the Fund and of the Unitholders, including the purchase, sale, subscription and exchange of securities, and it may exercise all rights directly or indirectly related to the assets of the Fund.

The Management Company in accordance with the Law 2010 and the applicable regulations of the CSSF has sufficient and appropriate organisational structures and internal audit mechanisms. It is in particular acting in the best interest of the Fund and the Sub-funds respectively and ensures that conflicts of interests are avoided and that the compliance with decisions and procedures as well as a fair treatment of Unitholders of the managed Fund, and the Sub-fund respectively, is ensured.

The Management Regulations constitute an integral part of this Prospectus.

Investment Manager

The Management Company may appoint one or more Investment Managers in order to render investment management services in relation to the investment and re-investment of the Fund's Net Assets. This multi-manager strategy enables the Fund to select, what it believes, are the very best independent experts in the U.S. and Europe – external fund managers who have long track records and are the best in their field. Thus, the Fund aims to create the best possible conditions for long-term growth.

The Management Company shall entrust each Investment Manager with the management of a portion or all of the Fund Assets. The Management Company may, at any time and at its sole discretion, increase or decrease the amount of the Fund Assets allocated to each Investment Manager.

Each Investment Manager has the power, subject to the overall supervision of the Management Company, to manage, invest and disinvest the portion of the Fund Assets allocated to it.

The current Investment Managers to the Fund are listed in the Appendix A to this Prospectus.

General Investment Policy

The sole purpose of the Fund is to invest the Fund Assets in eligible assets within the meaning of the Law of 2010 while spreading investment risks and affording its Unitholders the results of the management of its assets. The Management Company may take any measures and carry out any transactions that it deems useful for the achievement and development of its purpose to the full extent allowed by the Law of 2010.

Before investing the Fund Assets, the Management Company, or in the case of their appointment, the Investment Managers, under the supervision of the Management Company, will undertake a thorough analysis of all available information and carefully weighing up the risks and opportunities, in securities, money-market instruments and other assets permitted by the Management Regulations. The performance of the Units will, however, depend on price movements on the securities, money and foreign exchange markets. No guarantee can therefore be given that the Fund's investment objectives will be achieved.

In addition, the Management Company can, for one or more of the UCIs managed by it, implement master-feeder structures in line with Article 1 paragraph 2 (a) and (b) of the UCITS Directive to combine its assets and to achieve cost savings for UCIs within the EU.

Such a Feeder Fund can therefore deviate from the diversification ratios in order to invest its assets in merely one Master Fund or sub-fund thereof.

Such Feeder Fund needs to invest at least 85% of its assets in the Master Fund, the remaining 15% of its assets must be invested in other eligible assets.

A Feeder Fund may cease to act as Feeder Fund or replace its Master Fund. Following prior approval from the CSSF, the Unitholders will be informed accordingly and the Prospectus, the Management Regulations as well as the respective KII will be adapted.

Derivative Instruments and Techniques and Instruments for Efficient Portfolio Management

Within the scope of the investment limitations and depending on the particular investment policy of the Fund, the management company or the investment manager may enter into derivative instruments (for example, futures transactions, options, swaps, etc.) on behalf of the Fund for the purpose of investments and hedging, and according to Circular CSSF 13/559, use techniques and instruments related to securities and money market instruments for efficient portfolio management.

Techniques and instruments for efficient portfolio management include options on securities and financial futures transactions and, among others, securities lending and security repurchasing transactions (opérations à réméré, opérations de prise/mise en pension), repurchase agreements and reverse repurchase agreements.

In no case may the use of techniques and instruments and derivatives for efficient portfolio management lead to the Fund's deviation from the investment goals and investment limitations presented in this Sales Prospectus or lead to exposing the Fund to additional risk that goes beyond the risk described in this Sales Prospectus, or especially, lead to impairing its ability to execute redemption requests.

Risks and Costs

The opportunity to use the aforementioned business strategies may be limited by statutory provisions or by market conditions. Likewise, no assurance can be given that the investment and hedging purpose pursued with these strategies will be achieved. Option, future and swap transactions as well as other permissible derivatives are frequently associated with transaction costs and greater investment risks for the assets of the Fund to which the Fund is not exposed when these types of transactions are not used. The specific risks are described in greater detail under "Risk Information".

The Fund bears all transaction costs and expenses relative to derivative transactions and the use of techniques and instruments, including the costs for depositories and clearing houses. It must further be noted that the counterparty of a transaction may retain a minor portion of the earnings achieved as fees. Earnings which result from the use of securities lending and repurchase agreements shall generally – less the previously cited direct and indirect operational costs – flow into Fund assets. The management company has the right to charge the Fund a flat fee of up to 50% of the earnings from these transactions in return for the initiation, preparation and execution of securities lending transactions (including synthetic securities lending transactions) and repurchase agreements. The costs incurred in connection with the preparation and execution of such transactions including those payable to third parties (e.g. transaction costs to be paid to the custodian bank, as well as costs for the use of specific information systems to ensure "best execution") are borne by the management company.

Total Return Swaps

If the fund makes use of Total Return Swaps or other derivatives with similar characteristics having a significant influence on the investment strategy of the Fund, information concerning the underlying strategy or the counterparty will be found in the Special Section of this Sales Prospectus.

OTC Derivatives

The Fund may enter into derivative transactions that are traded at an exchange or are a part of another organised market, as well as OTC transactions. A method allowing a precise and independent valuation of the value of the OTC derivatives is employed.

Securities Lending and Repurchase Agreements

Depending on the particular investment policy of the Fund, the Fund may be permitted to assign securities in its assets portfolio for a certain period of time to a counterparty in return for compensation at market rates. In this case, the Fund will ensure that all securities assigned within the scope of a securities lending transaction can be reassigned at any time, and that all securities lending agreements can be terminated at any time.

a) Securities Lending Transactions

If the Fund is allowed to enter into securities lending transactions according to its particular investment guidelines, the applicable limitations will be found in the respectively valid Circular CSSF 08/356.

These transactions can be entered into for one or several of the following purposes: (i) risk reduction, (ii) cost reduction and (iii) achieving an increase in capital or earnings at a degree of risk that corresponds to the risk profile of the Fund and the provisions on risk diversification applicable to the Fund. These transactions may be executed in relation to 100% of the Fund provided (i) that the transaction volume is kept at an appropriate value or the return of the securities lent out can be demanded in such a way that the Fund can meet its redemption obligations at any time, and (ii) that these transactions do not jeopardise the management of the Fund assets in accordance with the investment policy of the respective sub-fund. The risks of these transactions are controlled within the scope of the risk management process of the management company.

The Fund may enter into securities lending transactions only in accordance with the following requirements:

(i) The Fund may lend securities only by using a standardised system operated by an authorised clearing house or a security lending programme operated by a first-rate financial institution, to the extent this financial institution specialises in these types of transactions and is subject to supervisory provisions that are comparable, in the opinion of the CSSF, to the provisions of European Community Law.

(ii) The borrower must be subject to supervisory provisions that are comparable, in the opinion of the CSSF, to the provisions of the European Community Law.

(iii) The counterparty risk arising from one or more securities lending transaction(s) with a single counterparty (which, for clarification, can be reduced by using collateral), if it is a credit institution falling under Article 4 No. 4 a) of the management regulation (general part) letter f) of the law of 2010, may not exceed 10% of the Fund assets, or in all other cases, 5% of the Fund assets.

The management company discloses the total value of securities lent out in the annual and semi-annual reports of the Fund.

Securities lending transactions may also be done synthetically (“synthetic security lending”). Synthetic security lending takes place when a security is sold to a counterparty at the current market price. The sale takes place subject to the condition that the Fund simultaneously receives a securitised option without leverage from the counterparty giving the sub-fund the right, at a later point in time, to demand the delivery of securities of the same type, quality and amount as the securities that were sold. The price for the option (“option price”) corresponds to the current market price of the sale of the securities less a) the security lending fee, b) the earnings (e.g. dividends, interest payments, corporate actions) arising from the securities that must be returned upon exercising the option and c) the exercise price of the option. During the term, the option will be exercised at the exercise price. If, during the term of the option, the security underlying the synthetic securities lending transaction is sold because the investment strategy is being implemented, this may also be done by selling the option at the prevailing market price less the exercise price.

Securities lending transactions may also be entered into in relation to specific share classes by taking the respective particular characteristics and/or investor profiles into consideration, whereby all claims to earnings and collateral within the scope of such securities lending transactions apply at the level of the share class affected.

b) Repurchase Agreements

If permitted by the particular investment guidelines of the Fund, the Fund may (i) engage in repurchase agreements consisting of the purchase and sale of securities and containing the right or the obligation of the seller to repurchase the securities sold from the buyer at a price and under conditions that have been agreed to contractually by both parties, and (ii) reverse repurchase transactions that consist of futures transactions upon the maturity of which the seller (counterparty) is obliged to buy back the securities sold, and the Fund is obliged to return the securities received within the scope of the transaction (together referred to as “repurchase agreements”).

In specific repurchase transactions or in a series of ongoing repurchase transactions the Fund may be either the buyer or the seller. However, participation in these transactions is subject to the following conditions:

(i) The Fund may only buy or sell securities within the scope of repurchase transactions if the counterparty of this transaction is subject to supervisory provisions that are, in the opinion of the CSSF, comparable to the provisions of European Community Law.

(ii) The counterparty risk arising from one or more repurchase transaction (s) with a single counterparty (which, for clarification, can be reduced by using collateral) may, if it is a credit institution falling under Article 4 No. 2f) of the management regulation (general part), not exceed 10% of the Fund assets, or in all other cases, 5% of its asset value.

(iii) During the term of a repurchase agreement in which the Fund is the buyer, the Fund may sell the securities forming the subject matter of the agreement only after the counterparty has exercised its right to repurchase these securities, or the term for the repurchase has elapsed, unless the Fund has other means of funding.

(iv) The securities purchased by the Fund within the scope of the repurchase agreement must accord with the investment policy and the investment limitations of the Fund and be limited to:

- short-term bank certificates or money market instruments according to the definition in Directive 2007/16/EC dated 19 March 2007.
 - These may be bonds of non-governmental issuers that have adequate liquidity, or
 - assets that are referred to above in the second, third and fourth sections of a) Securities Lending.
- (v) As of the cut-off date of its annual and semi-annual reports, the management company discloses the total amount of open repurchase agreements.

Repurchase agreements may also be entered into in relation to specific share classes by taking their respective special characteristics and/or investor profiles into consideration, whereby all claims to earnings and collateral within the scope of such repurchase transactions apply at the level of the share class affected.

Collateral Management of Derivatives and Techniques and Instruments

Securities received from contracting parties (also “counterparties”) within the scope of derivative transactions (with the exception of currency futures transactions), securities lending transactions, repurchase agreements and reverse repurchase agreements represent collateral.

The Fund may only engage in transactions with counterparties that are considered to be creditworthy by the management company. As a rule, permissible counterparties have a public rating of at least A-. Counterparties may not change the composition and the management of a portfolio of the Fund or the underlying value of a derivative used by the Fund at their discretion. No approval by the counterparty is required in connection with investment decisions made by the Fund.

If a collateral security satisfies a series of criteria such as the standards of liquidity, valuation and creditworthiness of the issuer, and if, even after receiving the collateral (by considering correlation) the risk diversification provisions according to Article 4, paragraph 4 of the management regulation (general part) are met, it may be offset against the gross exposure of the counterparty. If a collateral security is offset, its value is reduced by a percentage (a “discount”) intended to capture, among other things, short-term fluctuations in the value of the exposure and the collateral. The amount of the required collateral will be maintained in order to ensure that the net exposure of the counterparties does not exceed the limits specified for counterparties in Article 4, No. 4 a) of the management regulation (general part). Collateral may be deposited in the form of securities or cash. Collateral not deposited as cash is not sold, reinvested, encumbered or lent out further.

In order to reduce the risk of loss, reinvestment of cash collateral received is limited to high quality bonds issued or guaranteed (with at least investment grade rating) by a member state of the European Union or its administrative units, by a non-EU state or public international body of which at least one member state of the European Union is a member, and to deposits of up to three months at creditworthy credit institutions, reverse buyback agreements and short-term money market funds. If the Fund receives collateral for at least 30% of its assets, the respective liquidity risk is analysed.

Conflicts of Interest

The management company, the custodian bank, the sales offices and, under certain circumstances, the investment manager belong to the same group that offers its customers all types of banking and capital investment services. The Fund is not barred from entering into transactions with the management company, the custodian bank, the sales office or a possible investment manager or with any companies affiliated with such provided that these transactions take place under normal market conditions and on conventional terms and conditions. To the extent the Fund uses derivatives and other techniques and instruments, units of the same group may act as counterparty for financial futures transactions entered into by the Fund. Consequently, conflicts of interest may arise between the various activities of these companies and their responsibilities and duties with respect to the Fund.

Issue, Conversion and Redemption of Units

Units may be purchased, converted and redeemed at the offices of the Management Company, the Custodian and the Paying Agents listed in the appendix to the Management Regulations. In addition it is possible to purchase Units through third parties, in particular through other banks and financial services providers. Conversions from Class R-Units into Class I-Units, or *vice versa*, are allowed, but are subject to the prior approval of the Management Company. Conversions may further be subject to a conversion fee.

The Management Company, Custodian Bank and other distributors shall at all times comply with statutory and other regulations relating to the fight against money laundering and terrorist financing.

The subscription and redemption of Units should be for investment purposes only. The Management Company does not tolerate “market timing” or other excessive trading practices.

Excessive trading in rapid succession (market timing) may disrupt portfolio management strategies and harm the Fund’s performance. To prevent harm to the Fund and its Unitholders, the Management Company expressly reserves the right to reject any subscription or purchase application or to levy an additional subscription charge of 2 % of the value of the application concerned. The Management Company will make use of these rights at its full discretion if a Unitholder is engaging in excessive trading in rapid succession or has a history of excessive trading or if in the opinion of the Management Company a Unitholder's trading has been or may in future be damaging to the Fund. In making this judgment, the Management Company may consider the Unitholder’s trading in other funds or sub-funds in which the individual holds Units or is the indirect beneficiary of such holdings. The Management Company shall also have the right to compulsorily redeem all Units held by a Unitholder who is or has been engaged in the excessive trading of Units in rapid succession.

The Management Company shall not be liable for any losses resulting from rejected subscription applications or compulsory redemptions.

Publications

The following documents will be made available for inspection during normal business hours at the office of the Management Company:

- (a) Prospectus;
- (b) Management Regulations;
- (c) KII;
- (d) Custodian Bank agreement, Investment Management agreement and/or the investment advisory agreement;
- (e) current annual and semi-annual reports.

The Prospectus can be made available either in the form of a durable medium or via a website. Upon request a paper version will be made available to investors free of charge.

The Management Company will ensure that information intended for the Unitholders is either published or communicated to them in an appropriate manner. This includes, in particular, publication of the Unit prices in those countries in which Units are offered for sale to the public. The issue and redemption prices can also be obtained from the Management Company as well as from the Custodian Bank and the Paying Agents. The annual and semi-annual reports, the Prospectus, the KII and the Fund's Management Regulations are also available upon request free of charge from these parties. The Fund's custodian agreement may also be inspected at the offices of the Paying Agents.

Notes on taxation

The following summary is based on the applicable laws and administrative practices at the time the Prospectus was written and may be subject to change in the future.

The Fund is subject in the Grand Duchy of Luxembourg solely to an annual subscription tax ("*taxe d'abonnement*") of up to 0.05 % p.a. of the Fund's Net Assets for Class R-Units and of up to 0.01 % p.a. of the Fund's Net Assets for Class I-Units, as the latter class only contains institutional investors within the meaning of article 174 of the Law of 2010, as reported at the end of each quarter. In case the Fund invests in other Luxembourg UCIs, which in turn are subject to the *taxe d'abonnement*, the aforementioned tax is not due from the Fund on the portion of assets invested therein. Other taxes on the Fund, for example on income, capital gains or distributions, are not levied in Luxembourg. However, income, capital gains or distributions of the Fund may be subject to non-refundable withholding taxes or other taxes in countries in which the Fund Assets are invested. Neither the Management Company nor the Custodian Bank will obtain receipts for such withholding taxes for individual or all Unitholders.

Income, capital gains or distributions of the Fund are in general not taxable for Unitholders who are not domiciled (resident) in Luxembourg (exemptions can apply to Unitholders who are domiciled (resident) in Luxembourg or as the case may be who have a permanent establishment in Luxembourg). Unitholders shall consult with their tax advisor in respect of the laws and regulations applicable to them. Nevertheless, income, capital gains or distributions of the Fund can be subject to withholding tax or other non-recoverable taxes in countries in which the Fund invests its assets.

The tax information contained in this Prospectus shall not be considered as tax advice for potential investors.

EU Savings Directive

Under the EU Savings Directive, each Member State is obliged to provide another Member State's tax authorities with details of payments of interest or similar income, which a paying agent within the meaning of the EU Savings Directive residing in a Member State has paid, to an individual residing in another Member State, being the beneficial owner of such payments, or to a residual entity within the meaning of the EU Savings Directive, established in another Member State.

During the transitional period Austria and Luxembourg are allowed to apply an optional information exchange system. In the event that the beneficial owner does not comply with this system, the Member State will levy a withholding tax on payments to such beneficial owners.

The withholding tax system will be applied for a transitional period during which the withholding tax rate will amount to thirty-five (35) % as of 1 July 2011. The same regime applies to payments to individuals or residual entities resident in any of the following territories associated to the Member States of the EU. The transitional period commenced on 1 July 2005 and ends by the end of the first full fiscal year which follows the entering into certain agreements by certain non-EU countries in respect of the exchange of information referring to such payments.

With regard to the EU Savings Directive withholding tax implications may be triggered relating to "interest" within the meaning of the EU Savings Directive, if such payments are made by a paying agent to an individual residing in another Member State or to a residual entity within the meaning of the EU Savings Directive, established in another Member State.

The term "interest" within the meaning of the EU Savings Directive has a broad meaning and includes, under certain conditions, among others, distributions received from and income realised upon investments in investment funds within the meaning of the EU Savings Directive.

Income realized upon the redemption of units or shares in investment funds (or upon sale or refund) may fall within the scope of the EU Savings Directive, if the investment funds invest directly or indirectly more than twenty-five (25) % of their assets in debt claims.

Gains that are realized upon the sale of units or shares in an investment fund, which has invested less than fifteen (15) % of its assets in debt claims, are not covered by the EU Savings Directive.

Prospective investors should always inform themselves and, where necessary, obtain professional advice on laws and regulations (*e.g.* in connection with the taxation and with foreign exchange controls) applying to the subscription, purchase, possession or redemption of units in the country of their citizenship, their residence or domicile, and also on the impact of the EU Savings Directive on their investments.

Details on the interest withholding tax levied on distributed and accumulated income of the Fund Assets are contained in the annual report and the announcements on the Fund's taxation basis.

Prevention of Money Laundering and Terrorist Financing

According to international rules as well as the laws and regulations in force in Luxembourg (consisting of, but not limited to the law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended) and the CSSF Circulars all service providers of the financial sector have been imposed with obligations to prevent the use of UCIs for the purpose of money laundering and terrorist financing.

The service provider can request from the subscription applicant to provide reasonable confirmation of identity. Subscription applicants, who are legal entities, must make available an extract from the commercial register or articles of incorporation or other official documentation.

In any case, the Paying Agent may at any time request additional documentation to comply with applicable statutory and regulatory requirements.

The aforementioned information is only collected for compliance reasons and may not be disclosed to unauthorized persons.

In the event that a subscription applicant should be late to file the required documentation or fail to file the required documentation, the request for the subscription (or, as the case may be, for the repayment) shall not be accepted.

Neither the Management Company nor the Paying Agent shall be liable in the event that a delay or omission of the processing of subscription requests occurs due to no or incomplete documentation on part of the subscription applicant.

Unitholders may from time to time be requested, in accordance with ongoing client due diligence, to submit additional or updated identification documents under the relevant laws and regulations.

US Investors

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (nor has the Management Company been registered under the United States Investment Company Act of 1940, as amended) and may not be publicly offered, 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, other than in accordance with the laws of the United States.

Risk Factors

Risk Information

The following risk information provides a point of reference for the risks connected with an investment in the Fund based on which losses (including additional costs) may result for the Fund and the investor. Potential investors should read the entire Sales Prospectus and consult their legal, tax and financial advisors before making a decision to invest in the Fund.

In general:

The assets, in which the Fund invests include, in addition to the opportunities of an increase in value also risks. Loss in value can occur if the market value of the assets falls below the acquisition price. If a Unitholder sells Units in the Fund at a time in which the market value of the assets held by the Fund have fallen compared to the time of his acquisition of the Units, the Unitholder will not or will not in full retrieve the monies he has invested in the Fund. Although each Fund aims to achieve steady capital gains, these cannot be guaranteed. The risk of the Unitholder is however limited to the amount invested.

Performance risk:

An increase in value cannot be assured in the absence of a guarantee. Furthermore, the assets acquired by the Fund can experience a different performance compared to that anticipated upon acquisition.

Market risk:

The price trend or the development of the market value of financial products depends in particular on the development of the capital markets, which are in turn affected by the general condition of the global economy as well as the economic and political business environment in the relevant countries. Impact on the general price trend, in particular on a stock exchange, can also have irrational factors such as moods, opinions and rumours.

Concentration risk:

Other risks can arise from the fact that a concentration of an investment in specific assets or markets occurs. In that case the Fund is heavily dependent from the development of these assets or markets.

Issuer Risk:

As the result of a default by an issuer or counterparty, losses may be incurred by the Fund. Issuer risk describes the effect of specific changes relative to the respective issuer affecting the price of a security in addition to the general trend of the capital markets. Even after securities have been carefully selected, it cannot be precluded that losses will be incurred due to the financial collapse of issuers.

Counterparty Risk:

Upon entering into OTC transactions (“Over-The-Counter”), the Fund may be exposed to risks relative to the creditworthiness of its counterparties and their ability to meet the conditions of these agreements. Thus, for example, the Fund may enter into futures, options and swap

transactions or use other derivative techniques such as Total Return Swaps in which the Fund is respectively subject to the risk that the counterparty does not meet its obligations arising from the respective contract.

In the event of bankruptcy or insolvency of a counterparty, the Fund may suffer significant losses due to delays in liquidating its positions; this includes the loss in value of the investment while the Fund enforces its rights. Likewise, there is the possibility that the use of agreed techniques will be terminated, for example, as the result of bankruptcy, illegality or changes in the law compared with that in effect at the time the agreements were made.

Among other things, Funds may enter into transactions on OTC and interdealer markets. In contrast to participants in regulated markets, the participants in these markets are typically not subject to any financial supervision. A Fund investing in swaps, Total Return Swaps, derivatives, synthetic instruments or other OTC transactions on these markets bears the credit risk of the counterparty and is also subject to the counterparty's default risk. These risks can be significantly different from those of transactions in regulated markets, because the latter are secured by guarantees, daily mark-to-market valuations, daily settlement and corresponding segregation, as well as minimum capital requirements. Transactions entered into directly between two counterparties generally do not benefit from this protection.

In addition, the Fund is subject to the risk that the counterparty may not execute the transaction as agreed because of a disagreement concerning the contractual conditions (regardless of whether in good faith or not) or because of a credit or liquidity problem. This may lead to losses in the respective Fund. This counterparty risk increases for agreements with longer maturities, as events may hamper agreement, or when the Fund has directed its transactions to a single counterparty or a small group of counterparties.

If the other side defaults, the Fund may be exposed to unfavourable market movements while taking measures to replace transactions. The Fund may enter into transactions with any counterparty. It may also enter into an unlimited number of transactions with a single counterparty. The Fund's ability to enter into transactions with any counterparty, the absence of an informative and independent evaluation of the financial characteristics of the counterparty, and the absence of a regulated market for entering into agreements, may increase the loss potential of the Fund.

Risk in Connection with the Use of Securities Lending and Repurchase Agreements

If the counterparty of a securities lending or repurchase transaction defaults, the Fund may suffer a loss, so that the proceeds from the sale of securities held by the Fund in connection with the securities lending or repurchase transaction are less than the surrendered securities. Moreover, as the result of a bankruptcy or similar proceedings against the counterparty involved in the securities lending or repurchase agreement, or any other failure to return securities, the Fund may suffer losses, for example, loss of interest or loss of the respective security, as well the costs of delay and enforcement in relation to the securities lending or repurchase agreement. It is assumed that the use of a purchase with buyback option or a reverse repurchase agreement and securities lending agreement will not have a significant influence on the performance of the sub-fund. However, the use of such agreements may have a significant effect, either positive or negative, on the net asset value of the sub-fund.

Important Investor Information

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund if the investor has registered himself and in his own name in the Unitholders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain unitholder rights directly against the Fund. Investors are advised to seek advice regarding their rights.

Management Regulations (General Section)

The General Section of these Management Regulations, which was filed with the Company and Trade Register in Luxembourg, in its version dated 20 February 2012, as published in the Mémorial on 15 March 2012, sets out general regulations for all funds established in accordance with Part I of the Law of 2010 in the form of “*fonds commun de placement*” and managed by the Management Company, provided that the Specific Section of the Management Regulations declares the General Section to be an integral part of the Management Regulations. The specific features of the Fund are described in the Specific Section of the Management Regulations, which may contain provisions which supplement or differ from individual provisions in the General Section of the Management Regulations.

GENERAL SECTION

Article 1 General provisions

1. The Fund is a mutual investment fund of the contractual type (*fonds commun de placement*) comprising transferable securities and other eligible assets, which are managed in line with the principle of risk diversification. The Fund’s Net Assets must amount to the equivalent of EUR 1,250,000 within six months of the approval of the Fund by the CSSF. The Fund shall be managed by the Management Company. The Fund’s assets shall be held by the Custodian Bank.
2. The Unitholders shall each have a claim on the Fund’s assets in proportion to their unit holdings.
3. By purchasing Units, the Unitholder accepts the Management Regulations including any approved and published amendments.
4. The current version of these Management Regulations and all amendments shall be filed with the Luxembourg Trade and Companies Register and the filing shall be published in the Mémorial.

Article 2 Custodian Bank

1. The Custodian Bank shall be appointed by the Management Company and is designated in the Specific Section of these Management Regulations. Its rights and obligations shall be determined by law, the Custodian Bank agreement and these Management Regulations. The Custodian Bank shall act independently of the Management Company and exclusively in the interests of Unitholders. It shall, however, act in accordance with the Management Company’s instructions, provided such instructions are in accordance with the Management Regulations, the Custodian Bank Agreement and the law.
2. The Custodian Bank shall hold all securities and other Fund’s assets in designated accounts or custody accounts, which may only be accessed in accordance with the terms of these Management Regulations. The Custodian Bank shall be entitled in accordance with

the accepted banking practice, under its own responsibility and with the consent of the Management Company, to place the Fund's assets in the custody of other banks or in collective securities deposits. If assets of the Fund have been legitimately deposited with a third party, the liability of the Custodian Bank extends to the careful selection and monitoring of such third party, i.e. the third party must be reliable, technically competent and sufficiently creditworthy.

3. The Custodian Bank shall pay to the Management Company out of the Fund's designated accounts only such remuneration as is determined in the Management Regulations. It shall also withdraw the fees payable to itself in accordance with these Management Regulations subject to the consent of the Management Company. This shall be without prejudice to the provisions of Article 9 below of the General Section of these Management Regulations relating to the charging of other costs and fees to the Fund Assets.
4. Insofar as is legally permissible, the Custodian Bank shall be entitled and required, in its own name,
 - a) to assert Unitholders' claims against the Management Company or any former Custodian Bank;
 - b) to raise objections against enforcement measures undertaken by third parties and institute proceedings if an enforcement is made in respect of a claim for liabilities unrelated to Fund Assets.
5. The Custodian Bank and the Management Company are entitled to terminate the former's appointment at any time in writing in compliance with the provisions of the Custodian Bank agreement. This termination shall not take effect, however, until such time as a bank meeting the requirements of the Law of 2010 assumes the obligations and functions of the Custodian Bank in accordance with these Management Regulations. Until this time, the current Custodian Bank shall continue to fully exercise its legal obligations and functions with the aim of safeguarding the interests of the Unitholders.

Article 3 Fund Management

1. The Management Company is PHARMA/wHEALTH Management Company S.A.
2. The Management Company shall manage the Fund and, as applicable, the Sub-funds, in its own name, but solely in the interest and for the joint account of the Unitholders. The management authority extends to the exercise of any and all rights, which are directly or indirectly connected with the assets of the Fund or the relevant Sub-fund. The investment policy is established in accordance with legal and contractual investment restrictions. The Management Company invests the Fund Assets, in accordance with the principle of risk diversification, separately from its own assets. In respect of the resulting rights thereof, the Management Company issues unit certificates or unit confirmations according to the subsequent Article 5 of the Management Regulations. The Management Company may, under its own responsibility and at its own expense, consult investment advisers and/or take advice from an investment committee. The Management Company may also delegate the fund management or central administration duties to other Oppenheim Group

companies or third parties in accordance with current Luxembourg regulations. In the event of a delegation to a third party the Prospectus shall be added accordingly.

3. The Management Company is specifically authorized by the provisions of these Management Regulations to use the funds paid into the Fund by Unitholders to buy and sell securities and other eligible assets and to reinvest the proceeds elsewhere. The Management Company is also empowered to take any legal action in matters relating to the management of Fund Assets.

Article 4 Investment policy guidelines

1. General

The Fund's or, as the case may be, the respective Sub-fund's investment objective and specific investment policy shall be determined on the basis of the guidelines set out in the subsequent Specific Section of these Management Regulations. The Specific Section of these Management Regulations may stipulate that certain types of investments set out here may not be used by the Fund or the respective Sub-fund, as the case may be, and/or may list additional guidelines.

2. Investment-grade Assets

The Management Company shall invest the assets of the Fund or the Sub-fund, as the case may be, in:

- a) securities and money-market instruments which are traded or listed on a Regulated Market;
- b) securities and money-market instruments which are traded on another market of a Member State of the European Union which is recognized, regulated, open to the public and which operates in an orderly manner;
- c) securities and money-market instruments which are traded on a securities exchange of a Third Country or which are officially listed or traded on another market of that Third Country which is recognized, open to the public and which operates in an orderly manner;
- d) new issues of securities and money-market instruments to the extent that the issue conditions entail an obligation to apply for admission to trading on a Regulated Market in accordance with 2 a) to c) above and that such admission to trading be granted within one year of the issue date;
- e) units in UCITS authorized in accordance with the UCITS Directive and/or other UCI pursuant to Article 1 paragraph (2) a) and b) of the UCITS Directive and which are domiciled in a Member State of the EU or a Third Country provided that:
 - these other UCIs are authorized under legal provisions which subject them to official supervision, which the CSSF considers to be equivalent to that required by European Community law, and that there is sufficient assurance of co-operation between authorities.

- the level of protection of the unit holders in other UCI is equivalent to the level of protection of unit holders in UCITS, which comply with the provisions of the UCITS Directive, particularly with respect to the separate custody of fund assets, borrowing, granting of loans and short sales of securities and money-market instruments;
 - the results of the operations of the other UCIs are reported semi-annually and annually, thus permitting evaluation of their assets and liabilities, earnings and transactions for periods under review;
 - the incorporation documents of the UCITS or other UCIs in which the units are acquired restrict the amount of assets invested in units of other UCITS or other UCIs to a maximum of 10 % of the total assets of those UCITS or UCIs;
- f) demand or other notice deposits with terms of no more than twelve months with credit institutions domiciled in a Member State of the European Union or, if domiciled in a Third Country, with credit institutions that are subject to supervision considered by the CSSF to be equivalent to the respective provisions in the European Union;
- g) derivatives, in particular options and futures as well as swaps, including equivalent instruments entailing cash settlements, which are traded on one of the Regulated Markets in accordance with letters a), b) and c) above and/or OTC derivatives, which are not traded on stock exchanges, provided that:
- the investment objectives of the Fund or Sub-fund, as the case may be, stipulate that the underlying of such derivatives are instruments as set out in sub-sections 2) a) to h) and which are financial indices, interest rates, foreign exchange rates or currencies;
 - counterparties for OTC derivatives are institutions that are subject to regulatory supervision and are members of a category authorized by the CSSF;
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, settled or closed out at any time by means of a counter-transaction initiated by the relevant investment fund at fair market value.
- h) money-market instruments which are not traded on Regulated Markets and which are outside the scope to the above definition, provided that the issue or the issuer of these instruments are themselves subject to regulations regarding the protection of deposits and investors and on the condition that the instruments will be
- issued or guaranteed by a national, regional or local entity or the central bank of an EU member state, by the European Central Bank, the European Union, the European Investment Bank, a Third Country, or in the case of a federal state by a member of the federation, or by a public international body to which at least one EU Member State belongs, or
 - issued by a company whose securities are traded on a Regulated Market listed under sub-sections a), b) and c) above or

- issued or guaranteed by an institution subject to supervision by a government regulator in accordance with European Community law or issued or guaranteed by an institution subject to and in compliance with supervisory regulations that the CSSF considers to be at least as stringent as those of European Community law or
- issued by another issuer that belongs to a category that is authorized by the CSSF, provided that investments in these instruments are subject to regulations protecting investors equivalent to those set out in the first, second or third bullet point and where the issuer is either a company with equity capital of at least ten million Euro (EUR 10,000,000) and which prepares and publishes annual reports in compliance with the Fourth Council Directive 78/660/EEC of 25 July 1978 in connection with the Treaty on the Annual Accounts of Certain Types of Companies (as subsequently amended and supplemented) or is a legal entity with responsibility for group financing within a group comprising one or more exchange-listed companies or is a legal entity that finances the securitization of liabilities by utilizing credit facilities made available by banks.

3. Other assets

In addition the Fund or Sub-fund, as the case may be, may:

- a) invest a maximum of 10 % of the Fund's Net Assets in securities and money-market instruments other than those set out in section 2 above;
- b) hold a maximum of 49 % of the Fund's Net Assets in cash or cash equivalents. In certain exceptional circumstances, the actual amount may temporarily exceed 49 % provided that such excess appears to be in the interest of the Unitholders;
- c) take short-term loans not exceeding the equivalent of 10 % of the Fund's Net Assets. Hedging transactions in connection with the sale of options or purchase or sale of forward and futures contracts are not deemed to be loans for the purposes of this investment restriction;
- d) purchase foreign currencies in connection with back-to-back loans.

4. Risk diversification

- a) The Fund or Sub-fund, as the case may be, may invest no more than 10 % of its net assets in securities or money-market instruments of one and the same issuer. The Fund may invest no more than 20 % of its net assets in deposits with one and the same institution. The risk of counterparty default in connection with transactions of the Fund or Sub-fund, as the case may be, in OTC derivatives may not exceed 10 % of the Fund's Net Assets, provided that the counterparty is a credit institution in accordance with sub-section 2 f). The maximum will otherwise be limited to 5 % of net assets.
- b) The total value of securities and money-market instruments of issuers in which the Fund or Sub-fund, as the case may be, invests more than 5 % of its net assets may not exceed 40 % of the value of its net assets. This limit shall not apply to deposits and

transactions in OTC Derivatives with financial institutions which are subject to regulatory supervision.

Notwithstanding the individual maximum limits set out in sub-section 4 a), the Fund or Sub-fund, as the case may be, may invest a maximum of 20 % of its net assets in one and the same institution in one of the following combinations:

- securities or money-market instruments issued by that institution;
 - deposits with the same institutions and/or
 - OTC derivatives traded with that institution.
- c) The maximum limit set out in the first sentence of sub-section 4 a) shall be no more than 35 % if the securities or money-market instruments are issued or guaranteed by a Member State of the European Union, its regional authorities, a Third Country or an international organization regulated by public law, of which at least one Member State of the European Union is a member.

Notwithstanding the provisions under sub-sections 3 a) and b), the Fund or Sub-fund, as the case may be, may invest in accordance with the principle of risk diversification up to 100 % of its net assets in securities and money market instruments of various public offerings, which have been issued or guaranteed by a Member State of the European Union or its local authorities or by a Third Country or by a public international body to which one or more member states of the European Union belong, provided that (i) such securities have been issued within at least six (6) different public offerings and (ii) no more than 30 % of Fund's Net Assets are invested in securities of one and the same public offering.

- d) The maximum limit set out in the first sentence of sub-section 4 a) shall equal 25 % for certain debt securities if issued by a credit institution domiciled in a Member State of the European Union which is subject to special regulatory supervision in accordance with statutory provisions intended to protect the holders of those debt securities. In particular, the proceeds of such issues must be invested in accordance with statutory provisions in assets that adequately meet the liabilities arising from the debt securities for their entire term and, in the event of default by the issuer, that will serve as senior ranking security for the repayment of the principal and accrued interest.

If the Fund or Sub-fund, as the case may be, invests more than 5 % of its net assets in debt securities in accordance with the preceding sub-section, which are issued by one and the same borrower, the total amount of these investments may not exceed 80 % of the value of the net assets.

- e) The securities and money-market instruments set out in sub-sections 4 c) and d) shall not be included in the calculation for the purposes of applying the maximum investment limit set out in sub-section 4 b).

The limits set out in sub-sections 4 a), b), c) and d) may not be cumulated. As a result, investments in securities and money-market instruments of one and the same issuer or

deposits with those issuers as well as derivatives of that issuer in accordance with sub-sections 4 a), b), c) and d) may not exceed 35% of the relevant net assets of the Fund or Sub-fund, as the case may be.

Companies that are members of the same group, presenting consolidated financial statements prepared in accordance with Directive 83/349/EEC or with international accounting standards, shall be treated as one and the same issuer for the purposes of calculating the investment limit set out in sub-sections a) to e) above.

A fund's cumulative investments in securities and money-market instruments issued by one and the same group of companies may not exceed 20 % of its net assets.

- f) Notwithstanding the investment limits set out in sub-sections 4 j), k) and l) below, the limits set out in sub-sections 4 a) to e) with respect to investments in shares and/or debt securities of one and the same issuer may not exceed 20 % if the objective of the investment policy of the Fund or Sub-fund, as the case may be, is to track an equities or debt security index that is recognized by the CSSF. In that connection:
- the composition of the index must be sufficiently diversified;
 - the composition of the index must be broad enough to adequately represent the market to which it relates;
 - the index must be adequately publicized.
- g) The limits set out in sub-section 4 f) shall be 35 % provided that this is justified by exceptional market conditions, particularly with respect to Regulated Markets which are significantly dominated by certain securities and money-market instruments. Investments up to this maximum limit shall be permitted for one issuer only.
- h) The Fund or Sub-fund, as the case may be, may acquire units in other UCITS and/or UCIs in accordance with sub-section 2 e), provided that no more than 20 % of its net assets are invested in one and the same UCITS or UCI.

When applying this investment limit, each sub-fund of an umbrella fund as defined by Article 181 of the Law of 2010 shall be treated as an independent issuer provided that each sub-fund's separate liability to third parties is guaranteed.

The above mentioned investment limit does not apply to funds or sub-funds, as the case may be, which are feeder funds of a master fund.

- i) Combined investments in units in UCIs which are not UCITS may not exceed 30 % of the net assets of the Fund or Sub-fund, as the case may be.

The above mentioned investment limit does not apply to funds or sub-funds, as the case may be, which are feeder funds of a master fund.

If the Fund or Sub-fund, as the case may be, has acquired units of an UCITS and/or other UCI, the investments in the relevant UCITS or other UCI shall not be included in the calculation with respect to the limits set out in sub-sections 4 a) to e).

If a fund or sub-fund, as the case may be, acquires units in another UCITS and/or UCIs which are either directly or indirectly managed by the same management company or any other company with which the management company shares common management or is controlled or related through material direct or indirect shareholdings, such management company or other company may not charge fees for the subscription to or redemption of units of the other UCITS and/or other UCIs by the Fund or Sub-fund, as the case may be.

- j) The Management Company may not acquire voting shares in respect of investment funds under its management to the extent that it could exercise considerable influence on the issuer's business policy.
- k) In addition, the Fund or Sub-fund, as the case may be, may not acquire more than:
- 10 % of any one issuer's non-voting shares,
 - 10 % of any one and the same issuer's debt securities,
 - 25 % of the Units in one and the same UCITS or another UCI;
 - 10 % of any one and the same issuer's money-market instruments

The limits set out in the second, third, and fourth bullet points may be disregarded for purchases if the total amount of debt securities or money-market instruments or the net amount of Units issued cannot be calculated at the time of purchase.

- l) The provisions set out in sub-sections 4 j) and k) are not applicable to the following investments:
- aa) securities and money-market instruments issued or guaranteed by a Member State of the European Union or one of its regional authorities;
- bb) securities and money-market instruments issued or guaranteed by a Third Country;
- cc) securities and money-market instruments issued by an international organization regulated by public law, of which one or more Member States of the European Union are members;
- dd) shares in companies organized under the laws of a country which is not an EU Member State provided that (i) the company's assets predominantly consist of securities issued by parties domiciled in that country, (ii) that country's legislation provides that the only method that the Fund or Sub-fund, as the case may be, can acquire securities issued by parties domiciled in that country is through the Fund taking a shareholding in such a company and (iii) that the company adheres to the investment restrictions in compliance with sub-sections 4 a) to e) and 4 h) to k). However, this derogation shall only apply if the company from the non-EU member state matches the limits set forth in articles 43, 46 and 48 of the Law of 2010. In the event that the limits set out in the above mentioned articles 43 and 46 are exceeded, article 49 of the Law of 2010 shall apply *mutatis mutandis*.

- m) In addition, a Sub-fund can subscribe for, acquire and/or hold units in one or more sub-funds, without being subject to the requirements set out in the Law of 1915 with respect to the subscription, acquisition and/or holding of its own units, provided that:
- aa) the other sub-fund does not invest in the sub-fund, which has invested in it; and
 - bb) no more than 10% of the net assets of the sub-fund, which is to be acquired, may be invested in units of other UCIs; and
 - cc) voting rights that may be tied to the relevant units of the other sub-fund will be suspended for as long as they are held by the relevant sub-fund, irrespective of a reasonable performance of the accounting and the periodic reports; and
 - dd) in any event for as long as the units of the other sub-fund(s) are held by the relevant sub-fund, whose value is not considered for the calculation of the net assets of the sub-fund for the purpose of verifying the minimum amount of assets, as determined by the Law of 2010; and
 - ee) there is no duplication of the subscription or redemption fees between those who have invested at the level of the one sub-fund in the other sub-fund and those who have invested at the level of the other sub-funds.

5. Inadmissible transactions

The Management Company may **not**, on behalf of the Fund or Sub-fund, as the case may be:

- a) purchase commodities, precious metals or certificates on precious metals (for the purposes of this investment restriction, transactions in the following items are not considered to be transactions in commodities: indices or securities as well as futures, forward contracts, options and swaps on any of the above-mentioned commodities).
- b) invest in real estate, although real-estate-secured securities, including any accrued interest as well as investments in securities issued by companies that invest exclusively in real-estate, including accrued interest, are permissible.
- c) grant loans from the Fund's assets or act as guarantor for third parties;
- d) take on liabilities in connection with the acquisition of any securities or money-market or other financial instruments that are not fully paid-up, as set out in sub-sections 2 d), g) and h), which, when combined with loans as set out in sub-section 3 c), exceed 10 % of the Fund's Net Assets.
- e) engage in short sales of securities, money-market instruments or other financial instruments as set out in sub-sections 2 d), g) and h) above.

6. Exceptions, reductions

- a) The investment restrictions set out in sub-sections 2 to 4 above relate to the time of purchase. If the cited percentages are subsequently exceeded, i.e., as the result of changing prices or for reasons other than additional purchases, the Management Company shall immediately, albeit with due regard to the interests of the Unitholders, attempt to reduce holdings so as to reinstate limits;
- b) any newly established Fund or Sub-fund, as the case may be, may, during the first six months following their establishment, disregard sub-sections 4 a) to i) in order to assure the diversification of risks;
- c) to the extent that an issuer forms a legal entity whose assets serve exclusively to secure claims by investors in a particular sub-fund as well as by creditors, whose claims arose in connection with the establishment, operation or dissolution of a particular sub-fund, that sub-fund shall be treated as an independent issuer for the purposes of applying the risk distribution provisions in sub-sections 4 a) to g) and 4 h) and i).

The Management Company is entitled to establish additional investment restrictions for the Fund or Sub-fund, as the case may be, insofar as such restrictions are necessary to comply with legal and administrative regulations in those countries in which the Units of the Fund or Sub-fund, as the case may be, are offered or sold.

7. Techniques and instruments

a) General provisions

The Fund or Sub-fund, as the case may be, may use derivatives and other techniques and instruments for the purposes of hedging and for the efficient management of the Fund Assets, maturities and risks.

The use of derivatives in connection with these transactions shall be consistent with the conditions and limits set out in the provisions of sub-sections 2 to 6 of this article. In addition, the provisions of sub-section 8, below, of this article relating to risk management procedures shall be observed.

The Fund or Sub-fund, as the case may be, may under no circumstances disregard the investment objectives set out in the Specific Section of these Management Regulations when using derivatives or other techniques and instruments.

b) Securities lending and repurchase agreements

For the purpose of efficient portfolio management, the Management Company may use the techniques and instruments of securities lending and repurchase agreements pursuant to the provisions set out in the circulars 08/356 and 11/512 of the CSSF.

Should the Management Company in this context receive guarantees in form of cash, such cash may be reinvested on behalf of the Fund or Sub-fund, as the case may be, in accordance with the provisions of the aforementioned circulars.

8. Risk management

With respect to transactions in derivatives, the Management Company shall assure within the provisions of the CSSF Circular 11/512 that the global exposure inherent in the derivatives does not exceed the Fund's Net Assets.

The market value of the underlying, the counterparty default risk, future market fluctuations and settlement date of positions shall all be taken into account when calculating the global exposure.

Subject to the limits set out in sub-section 4 a) of this article, the Fund or Sub-fund, as the case may be, may engage in transactions in derivatives as part of its investment policy provided that the global exposure of the underlying does not exceed the investment limits set out in sub-sections 4 a) to e) of this article, whereby index-based derivatives are excluded.

Derivatives embedded in securities or in money-market instruments shall be included with respect to the provisions of this sub-section 8.

Should the Fund or Sub-fund, as the case may be, use techniques and instruments, including repurchase agreements and securities lending in accordance with Article 42, paragraph (2) of the Law of 2010, to increase its leverage and its market risk, then the Management Company is required to take the respective transactions into account in the calculation of the global exposure.

More information in respect of the determination of the global exposure of the Fund or Sub-fund, as the case may be, is contained in the Special Section of the Prospectus.

Article 5 Units

1. The unit certificates are made out to the bearer and are issued for individual or multiple Units.
2. The unit certificates bear the original or facsimile signatures of authorized representatives of the Management Company and the Custodian Bank.
3. Unit certificates are transferable. Upon transfer of a unit certificate, all rights represented by the unit certificate are transferred along with it. The bearer of the unit certificate is deemed by the Management Company and/or the Custodian Bank to be the beneficiary in all cases.
4. At the request of a buyer of Units and on the instructions of the Management Company, the Custodian Bank may issue confirmation of the number of Units acquired in lieu of a unit certificate.
5. The Specific Section of these Management Regulations may stipulate that Units are evidenced by global certificates. In such cases, there may be no entitlement to individual certificates.

Article 6 Issue, conversion and redemption of Units

1. All Units shall enjoy equal rights. The Units shall be issued by the Management Company as soon as the issue price has been paid to the Custodian Bank. Fractional Units and different Classes of Units reserved to different Types of investors may be issued upon decision of the Management Company. There shall generally not be any limitation on the number of Units issued or on the number of corresponding unit certificates. However, the Management Company reserves the right to suspend the issue of Units temporarily or permanently; in such cases, any payments already made shall be refunded without delay.

Investors may be required to complete an application form for Units or other documentation satisfactory to the Management Company indicating that the purchaser is an institutional investor (“Institutional Investors”).

2. Units may be acquired from the Management Company, the Custodian Bank, the paying agents, or through third party intermediaries. Each of the above-mentioned legal entities as well as any other legal entity which was appointed to distribute Units shall at any time comply with the legal and regulatory provisions relating to anti-money laundering and the fight against terrorist financing.
3. Unitholders may request the redemption of Units through the Management Company, Custodian Bank or Paying Agents at any time. The Management Company shall be required to redeem Units for the account of the Fund or Sub-fund, as the case may be, at the applicable redemption price on any Valuation Day.
4. Unless otherwise provided for in the Specific Section of these Management Regulations, the valuation of the Units shall occur on each Valuation Day. The redemption price shall be paid without delay after the Valuation Day in the Reference Currency.
5. Where there is a massive demand for redemption, the Management Company is entitled, with the prior consent of the Custodian Bank, to redeem the Units at the then applicable redemption fee, when it has disposed of a corresponding amount of assets, whereby such a disposal is effected without delay but with due regard to the interests of all Unitholders.
6. The Custodian Bank shall be required to make payment only where no statutory provisions, for example foreign exchange regulations, or other circumstances beyond the control of the Custodian Bank that prevent remittance of the redemption price.
7. Unitholders may request the conversion of Units within one class of Units. Conversions from R-Class Units to I-Class Units, or *vice versa*, are allowed, but are subject to the prior approval of the Management Company. Conversions may further be subject to a conversion fee. Conversion requests can be made through the Management Company, Custodian Bank or Paying Agents at any time.

Article 7 Issue, conversion and redemption price

1. To calculate the issue, conversion and redemption price, the Management Company or a third party appointed by it, shall, under the supervision of the Custodian Bank, determine the Net Asset Value per Unit on every Valuation Day.

For this purpose:

- a) securities officially listed on a stock exchange shall be valued at their last available traded price;
- b) securities that are not officially listed on a stock exchange but which are traded on a Regulated Market or on other organized markets shall also be valued at the last available trading price or at the last available closing price, provided the Management Company, at the time of valuation, considers this price to be the best price at which the securities can be sold;
- c) securities whose prices are not a fair market price or are not available pursuant to article 7, sub-section 1 a) and b), as well as all other assets shall be valued at their probable realization value, which shall be determined prudently and in good faith;
- d) units in open-ended UCITS and/or UCIs shall be valued at the last redemption price available;
- e) liquid assets shall be valued at their nominal value plus interest;
- f) fixed-term deposits shall be valued at their nominal value plus interest;
- g) The settlement amount of forward transactions or options not traded on stock exchanges or organized markets shall be valued at their relevant net settlement value as set out in the Management Company's guidelines in a manner consistent for all types of contracts. The settlement value of forward transactions and options traded on stock exchanges or organized markets shall be valued with reference to the last available transaction prices of such contracts on the stock exchanges or organized markets on which these forward transactions or options were traded by the Fund. If a forward transaction or option cannot be settled on the day on which the Net Asset Value per Unit is calculated, the manner in which the contracts are valued on that day shall be determined in an appropriate and reasonable manner by the Management Company;
- h) money-market instruments which are not listed on a stock exchange or traded on another Regulated Market and which have a residual term to maturity at the time of purchase of less than 90 days shall be valued at their repayment costs, which should roughly correspond to their market value;
- i) swaps shall be valued at their specific market value after considering the development of the relevant underlying asset.
- j) any assets not denominated in the Fund's reference currency shall be translated into the Fund's reference currency at the last available reference exchange rate as quoted on the inter-bank market. If such rates are not available, the exchange rate shall be determined in good faith by the Management Company.
- k) Other securities or assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Management Company.

The Management Company may, at its own discretion, use other methods of valuation if these are in the interest of an appropriate valuation of a Fund Asset with respect to the realizable value of that asset.

If the Management Company is of the view that the calculated value of Units on a given Valuation Day does not reflect the actual value of the Units, or if there have been significant movements on the relevant stock exchanges or markets since the calculation of the value, the Management Company may decide that the value of the Units should be restated on that same day. In this event, all applications received for subscriptions and redemptions for that Valuation Day shall be based on the unit value that was restated in good faith by the Management Company.

2. When determining the issue price, a sales charge can be added to the Net Asset Value per Unit to cover issue costs, the amount of which, with respect to the Fund or the relevant Sub-fund, shall be set out in the specific section of these Management Regulations. There shall be a corresponding increase in the issue price if stamp duties or any other levies are payable in a country where Units are issued.
3. The redemption price shall be determined with reference to the Net Asset Value per Unit as defined in section 1, after deducting a fee for redemption costs and fees, the amount of which shall be set out in the Specific Section of the Management Regulations.
4. Orders for the purchase and sale of Units which are received no later than 4 p.m. on any Valuation Day shall be settled at the subscription or redemption price as calculated on the following Valuation Day, unless otherwise provided in the Specific Section of these Management Regulations.

Article 8 Suspension

The Management Company is entitled to temporarily suspend the calculation of the value of Units if this is in the best interests of the Unitholders and for so long as circumstances persist that require such temporary suspension. In particular:

1. when an exchange or other regulated market on which a substantial portion of the relevant Fund's assets are officially listed or traded is closed (other than normal weekends and bank holidays) or trading on this exchange or market has been suspended or restricted; or
2. in emergencies, when the Management Company does not have the Fund's assets at its disposal, or if it is impossible for the Management Company to freely transfer the equivalent value of the assets bought or sold, or to calculate the value of Units in a proper manner; or
3. when for any other reason the valuation of any assets of the Fund or Sub-fund cannot be made in a timely or accurate manner; or
4. in case of suspension of the calculation of the shares or the unit price in a relevant master fund in which the Fund or one or several Sub-funds thereof have invested; or

5. in case of a merger or a similar event affecting the Fund and/or one or several Sub-funds, and if it is deemed by the Management Company as necessary and in the best interest of the respective Unitholders; or
6. in case of an index suspension which is due to a financial derivative and which is essential to the Fund or a Sub-fund.

The Management Company shall notify suspensions exceeding three banking days in length in a suitable manner through publication in those daily newspapers in which fund prices are normally published. The Management Company shall also directly notify all Unitholders and applicants for the purchase of Units of the suspension in an appropriate manner. During the period of any suspension in the calculation of Net Asset Value per unit, Unitholders shall be permitted to withdraw their applications for subscriptions and redemptions. Applications for subscriptions and redemptions that have not been withdrawn shall be settled on the resumption of the calculation of Net Asset Value per unit at the prices determined on the date of such resumption.

Article 9 Costs

1. The Management Company shall be entitled to remuneration for its management of the Fund and the Custodian Bank shall be entitled to remuneration for the administration and custody of assets belonging to the Fund. Moreover, the Custodian Bank shall receive a processing fee for each transaction it executes on behalf of the Management Company.
2. In addition to these remuneration and fees the following expenses shall be charged to the Fund:
 - a) taxes and other fees which are levied on the relevant assets, benefits or expenses of a Sub-fund and which are to be borne by such Sub-fund;
 - b) costs arising in connection with the purchase and disposal of assets;
 - c) costs of preparing and mailing of the prospectuses, Management Regulations, the KII as well as the annual reports, semi-annual reports and, where applicable, other interim reports;
 - d) costs of publishing prospectuses, the Management Regulations, the KII, and the annual report, semi-annual report and, where applicable, other interim reports and also of the issue and redemption prices and of notifications to the Unitholders;
 - e) the costs of auditing, taxation and legal advice to the Fund;
 - f) all similar administrative costs (including but not limited to all marketing/advertising expenses and other expenses directly incurred in offering or distributing the Units, remuneration and reasonable out-of-pocket expenses of the Registrar, Transfer and Administrative Agent, costs for registration of Unit Certificates for sale to the public with all authorities and local securities dealers' associations etc.);

- g) costs and any taxes or fees arising in connection with the management of the Fund and the custody of the Fund Assets;
 - h) costs of preparing unit certificates and, if applicable, earnings coupons, and of the renewal of coupon sheets;
 - i) costs, if any, of cashing in earnings coupons;
 - j) costs of admission to listing on any stock exchange and/or the registration of Units for distribution to the public;
 - k) a reasonable proportion of the costs of marketing and advertising and especially those incurred directly in connection with the offering and selling of Units of the Fund;
 - l) costs for the analysis of the performance of the Fund and for the assessment of the Fund by national and international rating agencies;
 - m) costs related to the risk management of all types of risks of the Fund as well as to the assessment and analysis of the performance of the Fund; and
 - n) costs for the establishment of the Fund.
3. All costs will be charged first to current income, then to capital gains, and last to the Fund's assets.
 4. Information on the costs and fees relating to the Fund are included in the KII.

Article 10 Financial year and audit

1. The Fund and its accounts shall be audited by auditors appointed by the Management Company.
2. Not later than four months after the end of each Financial year, the Management Company shall publish the audited annual report of the Fund.
3. Not later than two months after the end of the first half of the Financial year, the Management Company shall publish an unaudited semi-annual report for the Fund.
4. These reports shall be obtainable from the Management Company, the Custodian Bank and the Paying Agents.

Article 11 Merger and reorganisation

In the event that for any reason the value of the net assets in the Fund or any Sub-fund or Class of Units thereof has decreased to an amount determined by the Management Company to be the minimum level for such Fund or Sub-fund or Class of Units to be operated in an economically efficient manner, or if a change in the economical or political situation relating to the Fund or any Sub-fund or Class of Units would have material adverse consequences on the investments of that Fund or Sub-fund or Class of Units, or in order to proceed to an economic rationalization, or if the agreement with the Investment Manager has been

terminated and such Investment Manager has not been replaced by a replacement investment manager, the Management Company may decide to compulsorily redeem all the Units of the Fund or the relevant Sub-fund or Class(es) of Units at the Net Asset Value per Unit (taking into account actual realization prices of investments and realization expenses) as of the Valuation Day on which such decision takes effect.

The decision of the Board will be published (either in newspapers to be determined by the Management Company or by way of a notice sent to the Unitholders at their addresses indicated in the register of Unitholders) prior to the effective date and the publication will indicate the reasons for, and the procedures of, the compulsory redemption operations.

To the extent applicable and pursuant to the relevant conditions and procedures set forth in the Law of 2010 as well as the applicable regulations, the Management Company may proceed to the merger of the Fund or, as the case may be, one or several Sub-funds of the Fund with an existing or jointly established sub-fund, another Luxembourg fund or sub-fund, another foreign UCITS or a sub-fund of another foreign UCITS, either on being dissolved without liquidation or by continuing to exist until the liabilities have been discharged.

Such decision shall be published in the same way as mentioned above. Within a period of 30 days the Unitholders have the right to request the redemption or the exchange of their Units with units of another fund or sub-fund pursuing the same investment policy, which is managed by the same Management Company or by another company connected with the Management Company by shared administration or by control or via a significant direct or indirect participating interest, without bearing any other costs than those necessary for the relevant fund or sub-fund to cover the costs for disinvestment.

When the merger comes into force, the Unitholders of the merging fund or sub-fund shall become Unitholders of the receiving fund or sub-fund.

Any legal, advisory or administrative costs associated with the preparation and the completion of the merger shall not be charged to the merging or receiving fund or sub-fund or to the Unitholders thereof.

In the event that the Management Company determines that it is required in the interests of the Unitholders of the relevant fund or sub-fund, or that a change in the economic or political situation relating to the Fund concerned has occurred which would justify the reorganisation of the Fund or a Sub-fund by means of either a split or a consolidation into two or more Sub-funds (followed, if necessary, by the payment of the amount corresponding to any fractional entitlement to the Unitholders, the so-called “Spitzenausgleich” (settlement balance)), such resolution may be resolved upon by the Management Company.

Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the new Sub-funds.

Such publication will be made no less than one (1) month before the date on which the reorganisation becomes effective in order to enable Unitholders to request, during that period of time, the redemption of same or all of their Unit(s) without redemption charges.

The assets which cannot be distributed to the Unitholders, for whatever reason, will be deposited with the Caisse de Consignation for the account of the entitled Unitholders, such

amounts shall be forfeited if not claimed in accordance with applicable law (in principle 30 years).

All redeemed units shall be cancelled.

Article 12 Duration and winding-up of the Fund or Sub-fund and notice of termination by the Management Company

1. The Fund has been established for an unlimited period of time; it may however be wound up at any time by resolution of the Management Company.
2. Notwithstanding sub-section 1, the Specific Section of these Management Regulations may provide for a limited duration of the Fund or, as the case may be, of one or several Sub-funds.
3. The Management Company may, subject to notice of at least three months, terminate its management of the Fund. Such notice shall be published in the *Mémorial* and in daily newspapers, then to be determined, in those countries in which Units of the Fund are admitted for sale to the public. When the notice of termination becomes effective, the right of the Management Company to manage the Fund shall be extinguished. In such a case, the right of disposition over the Fund shall be transferred to the Custodian Bank, which shall wind up the Fund in accordance with section 4 below and distribute the proceeds of liquidation to the Unitholders. During the winding-up period, the Custodian Bank shall be entitled to claim the management fee set forth in Article 9 above. Subject to the approval of the CSSF, however, it may decide not to wind up the Fund and distribute the Fund Assets, but to transfer the management of the Fund, subject to the provisions of these Management Regulations, to another UCITS management company in Luxembourg.
4. The Fund, and any individual Sub-fund, may however be wound up at any time by a decision of the Management Company. If such decision is taken, this shall be announced in the *Mémorial* and additionally in three daily newspapers. For this purpose the Management Company shall select, in addition to a daily newspaper in Luxembourg, daily newspapers in the countries in which the relevant Units are admitted for sale to the public. The issue as well as the exchange and, as the case may be, the redemption of Units shall be suspended on the day on which the resolution to wind up the Fund is adopted. The Fund's assets shall be disposed of; the Custodian Bank shall, on the instructions of the Management Company or, where applicable, of the liquidators appointed by it or by the Custodian Bank in consultation with the CSSF, distribute the liquidation proceeds, after deduction of the liquidation costs and fees, among the Unitholders in proportion to their claims. Liquidation proceeds that have not been claimed by Unitholders following conclusion of the liquidation process shall, where required by law, be converted into the currency of Luxembourg and deposited by the Custodian Bank in escrow with the *Caisse de Consignation* in Luxembourg for the account of the entitled Unitholders; such amounts shall be forfeited if not claimed within the statutory limitation period.

Article 13 Amendments to the Management Regulations

1. The Management Company may at any time, with the consent of the Custodian Bank, amend parts or all of the Management Regulations.
2. Amendments to the Management Regulations shall be filed with the Luxembourg Trade and Companies Register. Notification of this filing shall be published in the Mémorial.

Article 14 Statutory limitation of claims

Legal claims by Unitholders against the Management Company or Custodian Bank must be lodged within five years of the origin of the claim. This shall have no effect on the provisions of Article 12 of these Management Regulations.

Article 15 Place of performance and jurisdiction, contractual language and entry into force

1. The place of performance shall be the place where the Management Company has its registered office.
2. Any legal disputes arising between Unitholders, the Management Company and the Custodian Bank shall be subject to the jurisdiction of the competent court in the Grand Duchy of Luxembourg. The Management Company and the Custodian Bank shall be entitled to submit themselves and the Fund to the law and jurisdiction of other countries in which Units of the Fund are offered for sale in cases where Unitholders residing or domiciled in such countries make claims against the Management Company or the Custodian Bank in relation to subscription to or redemption of Units.
3. The Management Company and the Custodian Bank may declare translations in the languages of countries in which Units are admitted for sale to the public to be binding on themselves and the Fund.
4. These Management Regulations, as well as any amendments made hereto, shall enter into force on the day on which they are signed.

Management Regulations (Specific Section)

The current version of the General Section of these Management Regulations, which entered into force 20 February 2012 and has been filed with the Trade and Companies Register in Luxembourg constitutes an integral part of PHARMA/wHEALTH (the "Fund")

Set out below are the provisions of the Specific Section which amend and supplement these Management Regulations.

SPECIFIC SECTION

Article 16 Custodian Bank

The Custodian Bank shall be Sal. Oppenheim jr. & Cie. Luxembourg S.A., Luxembourg.

Article 17 Investment policy

The Fund's investment objective is long-term growth of capital through investment worldwide in securities of companies of all areas of the healthcare sector including pharmaceutical, biotechnology, medical devices and healthcare services. At any time at least two thirds of the Fund's assets (excluding liquid assets) shall be invested accordingly.

In order to achieve the Fund's investment objective, the Management Company is authorised, subject to the provisions of the Management Regulations, to purchase and sell securities and other assets as permitted by the Management Regulations. Thus, the Fund may also invest on an ancillary basis in liquid assets which shall not exceed 49 % of the Fund Assets. Such liquid assets may be kept in current accounts or in short term regularly negotiated money market instruments having a remaining maturity of less than 12 months which shall issued or guaranteed by issuers or guarantors with ratings of at least A1/P1.

In accordance with the principle of risk diversification, the Fund's assets will generally be invested in transferable securities and other assets that are permitted under the Management Regulations. Within the limits laid down by the investment restrictions applicable to the Fund pursuant to the Management Regulations, the Investment Managers may also buy non-transferable securities for the Fund's account.

The purchase of shares or units of other UCITS and/or UCIs in accordance with Article 4, section 2 e) of the General Section of these Management Regulations is contrary to the provision set forth under Article 4, section 4 h) and i) of the General Section of these Management Regulations limited to 10 % of the Fund's net assets.

Article 18 Techniques and instruments relating to securities lending and repurchase agreements

For the purpose of efficient portfolio management, the Management Company may use techniques and instruments relating to securities lending and repurchase agreements in compliance with the provisions of the amended circular 08/356 of the CSSF.

Should the Management Company in this context receive a guarantee in form of cash, such cash may be reinvested for the fund in compliance with the provisions of the above-mentioned circular.

Article 19 Unit certificates and unit classes

1. The Units may be evidenced in the form of global certificates.
2. Fractions of Units are issued up to one thousandth unit.
3. There is no entitlement to the physical delivery of unit certificates.
4. The Management Company may issue one or several classes of Units which differ from one another in their characteristics and may have differing fee structures. If new classes of Units are created, the Prospectus will be amended accordingly.
5. If one or several classes of Units are established within the meaning of sub-section 3 above, the Net Asset Value per Unit of a class of Units shall be determined according to Article 7 of the General Section of the Management Regulations, by dividing on each Valuation Day the portion of the Net Asset Value corresponding to the relevant class of Units by the number of Units of the said class of Units in issue on the relevant Valuation Day.

Article 20 Fund currency, issue, conversion and redemption price

1. The Fund currency is the USD.
2. The Management Company shall calculate the issue and redemption price under the supervision of the Custodian Bank on each Valuation Day.
3. The issue price shall be payable to the Custodian Bank three banking days following the relevant Valuation Day.
4. The sales charge to cover the distribution costs (Article 7, sub-section 2 of the General Section of these Management Regulations) shall amount to up to 2 % of the Net Asset Value per Unit.
5. The conversion fee shall amount to up to 2 % of the Net Asset Value per Unit.
6. No redemption fee will be charged.
7. The Management Company shall be responsible for ensuring the adequate publication of Unit prices in those countries where the Fund is distributed to the public.

Article 21 Costs

1. The remuneration for the management, asset management and the distribution of the Fund shall amount to up to 2 % p.a. for Class R-Units (USD), Class R-Units (EUR) and Class R-Units (EUR H) and up to 1.25 % p.a. for Class I-Units (USD) and Class I-Units (EUR), calculated on the Fund's Net Assets on the last Valuation Day of each month (the « Fixed Fee »). The Management Company may pay a portion of the Fixed Fee to distributors or other service providers for services rendered by them to the Fund.
2. The remuneration for the Custodian Bank shall amount to up to 0.2 % p.a. calculated on the Fund's Net Assets on the last Valuation Day of each month (plus value added tax).
3. The remunerations shall be paid monthly on the last day of the month.
4. In addition to the remuneration in accordance with section 2, the Custodian Bank shall receive a processing fee of up to 0.125 % for each transaction insofar as such transactions are not subject to normal banking commissions.
5. The Management Company and the Custodian Bank may pay each other or third parties out of their fees for holding/portfolio maintenance and service commissions; the Fund will not be charged with additional costs.
6. The Management Company and/or the Investment Managers shall be entitled to rebates with respect to brokerage fees and retrocession paid on behalf of the Fund. Such rebates may be retained by the Management Company and/or the Investment Managers and are not required to be credited to the Fund. Any amounts so retained by the Management Company and/or the Investment Managers shall be disclosed in the annual reports. The selection of investments for which rebates are paid shall be made in the best interests of the Fund and with reference to the principle of best execution. Agreements with respect to so-called "Soft Commissions" can be made and are subject to the following conditions:
 - a) the Investment Manager will act at all times in the best interest of the Fund when entering into soft commission arrangements
 - b) the services provided will be in direct relationship to the activities of the Investment Manager for the Fund
 - c) brokerage commissions on portfolio transactions for the Fund will be directed by the Investment Manager to broker-dealers that are entities and not to individuals
 - d) soft commission agreements will be published in the Fund's annual reports.
7. In addition to Article 4, sub-section 4 i) of the General Section of the Management Regulations, the Management Company shall not be entitled to charge any management fees for investments made in another UCITS and/or UCI which is either directly or indirectly managed by the same Management Company or any other company with which the Management Company shares common management or is controlled or related through material direct or indirect shareholdings, unless the other UCITS and/or UCI does not charge any management fee either. Material direct or indirect shareholdings in terms of

Article 4 sub-section 4 i) and this Article 21 sub-section 7 are defined as direct or indirect shareholdings of more than 10 per cent of the share capital or voting rights.

8. In addition, the Management Company shall receive annually at the end of each Financial Year (as defined in Article 23 hereafter) a performance fee payable out of the Fund Assets (the "Performance Fee") which shall be calculated and reverted to the Investment Managers pursuant to the following conditions:
- (i) For each Investment Manager, the Performance Fee shall be calculated separately on the portion of the Fund's assets allocated to and managed by such Investment Manager (the "Managed Assets"). If the Management Company exercises any investment management function on a portion of assets, no Performance Fee will be calculated on this portion of assets.
 - (ii) If one or more of the Managed Assets show an increase which entitles the Management Company to levy the Performance Fee with respect to these Managed Assets, whereas the Managed Assets of one or more of the remaining Investment Managers do not show an increase which would entitle the payment of the Performance Fee, the Performance Fee will still be due and payable with regards to the performing Managed Assets. This Performance Fee may be payable even if the overall performance of the Fund is negative or positive but insufficient to justify the payment of the Performance Fee.
 - (iii) The Performance Fee is equivalent to 20 % of the excess appreciation in the specific Net Asset Value per Unit of the respective Managed Assets (for the purposes of this Article the "Specific Net Asset Value per Unit") per business year. Such excess appreciation is equal to the appreciation from 31 December 2008 on or any higher subsequent business year end result in excess of 5 % (the "Hurdle Rate"), and adjusted appropriately for previous distributions in the respective business year and for partial years.
 - (iv) Moreover, the Performance Fee may be calculated for the Investment Managers *only* when and if the Specific Net Asset Value per Unit reaches, at business year end, a new high, compared to the highest historical business year end result of the previous business years (the "Historical High Water Mark"). In the year of re-introduction of the Historical High Watermark, the year 2009, the Historical High Watermark is equal to the Specific Net Asset Value per Unit on 31 December 2008. The Performance Fee will *only* be paid on the new excess appreciation over the said high of the previous business years or the business year end result on 31 December 2008, respectively for the Specific Net Asset Value per Unit as well as the Hurdle Rate. The Specific Net Asset Value per Unit will also be adjusted to reflect dividends and other distributions. The High Water Mark will be calculated separately for each Investment Manager.
 - (v) In the event an Investment Manager is replaced by a new Investment Manager or that Managed Assets are shifted from one Investment Manager to another Investment Manager, the new Investment Manager will not be bound by the previous High Water Mark relating to those Managed Assets. Thus, the initial threshold of the calculation of a Performance Fee for such Managed Assets by a new Investment Manager will be made on the basis of 100 % of the Specific Net Asset Value per Unit at the moment of the attribution to the new Investment Manager of those Managed Assets.

- (vi) For the purpose of the calculation of the Performance Fee, a specific Net Asset Value per Unit will be calculated on each Valuation Day with respect to each of the Managed Assets and accrued appropriately throughout the Fiscal Year (as defined in Article 24 hereafter). Payment will be based on the last Valuation Day of the Fiscal Year as compared to the last Valuation Day of the previous Fiscal Year and paid in arrears. The last Fiscal Year may be an abbreviated Fiscal Year and the Performance Fee will be calculated on a pro-rata basis and paid in arrears.
- (vii) The first calculation of a Performance Fee in the case of a new Investment Manager pursuant to point (v). before will be made on the basis of the total annual performance of the Managed Assets to be managed by such new Investment Manager and payment will be made on a *pro rata* basis for the period during which the new Investment Manager had the Managed Assets effectively under management.
- (viii) Notwithstanding the foregoing, each Investment Manager will be paid by the Management Company from the Fixed Fee and, if appropriate, the Performance Fee as agreed upon in the relevant investment management agreement executed with each of the Investment Managers.

Article 22 Distributions

1. The Management Company shall determine in each year whether income should be distributed and, if so, the amount of such distributions. This determination shall be made in accordance with Luxembourg regulations.
2. Distributions shall be made on those Units in issue on the distribution day.
3. Any distributions not paid out within five years of the announcement of that distribution shall expire in favour of the Fund. That notwithstanding, the Management Company shall be entitled to pay any undistributed amounts to Unitholders following the period of statutory limitations.

Article 23 Financial year

The Fund's financial year commences on 1 January and ends on 31 December.

Article 24 Entry into force

This Specific Section of the Management Regulations entered into force in its current version on 20 February, 2012.

Your Partners

Management Company

PHARMA/wHEALTH Management Company S.A.
2, Boulevard Konrad Adenauer,
L-1115 Luxembourg

Capitalization: 200.000 Euro (31 December 2012)

Board of Directors of the Management Company

Chairman:

- François Pauly, independent Board Director,

Members of the Board:

- Claude Kremer, Partner, Arendt & Medernach, Luxembourg
- Stefan Janssen, Managing Director, Sal Oppenheim jr. & Cie. AG & Co. KGaA
- Joel R. Mesznik, President, Mesco Ltd., Connecticut
- Dr. Wolfgang Leoni, Member of the Executive Board, Sal. Oppenheim jr. & Cie. Komplementär AG, Cologne
- Marco Schmitz, Member of the Executive Board, Oppenheim Fonds Trust GmbH, Cologne

Executive Board

- Andreas Jockel, Managing Director,
Oppenheim Asset Management Services S.à r.l.
- Dr. Marcus Stutz, Managing Director,
Sal. Oppenheim jr. & Cie. Luxembourg S. A.

Investment Managers

The Investment Managers to the Fund are listed in the [Appendix A](#) to this Prospectus.

Custodian Bank

Sal. Oppenheim jr. & Cie. Luxembourg S.A.,
2, Boulevard Konrad Adenauer,
L-1115 Luxembourg

Central Administrative Agent

Oppenheim Asset Management Services S.à r.l.,
2, Boulevard Konrad Adenauer,
L-1115 Luxembourg

Promoter (Sponsor)

Sal. Oppenheim jr. & Cie. Luxembourg S.A.,
2, Boulevard Konrad Adenauer,
L-1115 Luxembourg

Auditor

KPMG Luxembourg S.à r.l.,
39, Avenue John F. Kennedy,
L-1855 Luxembourg

Legal Advisor in Luxembourg

Arendt & Medernach
14, rue Erasme
L-2082 Luxembourg

Main Paying Agent, Registrar, Transfer Agent

in Luxembourg:

Sal. Oppenheim jr. & Cie. Luxembourg S.A.,
2, Boulevard Konrad Adenauer,
L-1115 Luxembourg

Other Paying Agents

in Germany:

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Deutschland

in Austria:

Deutsche Bank Österreich AG
Head office Vienna
Palais Equitable
Stock im Eisen-Platz 3
A-1010 Vienna

Distribution in Germany

Sal. Oppenheim jr. & Cie. AG & Co. KGaA
Unter Sachsenhausen 4
50667 Cologne
Germany
and its branches

Distribution in Austria

Deutsche Bank Österreich AG
Head office Vienna
Palais Equitable
Stock im Eisen-Platz 3
A-1010 Vienna

Tax representative in Austria

Leitner + Leitner GmbH & Co KEG
Auditor and tax advisor
Ottensheimer Strasse 30, 32, 36
A- 4040 Linz

Current information relating to the Management Company's equity capital and the composition of its executive bodies is contained in the most recent annual and semi-annual reports.

Additional information for investors in the Federal Republic of Germany

Paying and Information Agent in Germany

Deutsche Bank Aktiengesellschaft
Taunusanlage 12
60325 Frankfurt am Main
Deutschland

Redemption applications for the Units of Pharma/wHEALTH may be submitted to the German Paying and Information Agent and all payments (redemption proceeds, any possible distributions and any other payments) due to Unitholders may be paid through the German Paying and Information Agent.

All necessary information for investors, e.g. the Management Regulations, the KII and the Prospectus, Annual and Semi-Annual Reports as well as issue and redemption prices, may also be obtained free of charge from the German Paying and Information Agent. In addition, Unitholders may inspect the Custodian Bank Agreement at the offices of the German Paying and Information Agent.

Publications

In the Federal Republic of Germany the issue and redemption prices will be released on the internet at www.oppenheim.lu. Other notices to Unitholders will be published in the *Börsen-Zeitung* newspaper. The Management Company may also arrange for other publications.

Additional information for investors in Austria

Paying Agent in Austria

Deutsche Bank Österreich AG
Head office Vienna
Palais Equitable
Stock im Eisen-Platz 3
A-1010 Vienna

Redemption applications for the Units of Pharma/wHEALTH may be submitted to the Austrian Paying Agent and all payments (redemption proceeds, any possible distributions and any other payments) due to Unitholders may be paid through the Austrian Paying Agent.

All necessary information for investors, e.g. Management Regulations, the KII and the Prospectus, Annual and Semi-Annual Reports as well as issue and redemption prices, may also be obtained free of charge from the Austrian Paying Agent. In addition, Unitholders may inspect the Custodian Bank Agreement at the offices of the Austrian Paying Agent.

Tax representative in Austria

Leitner + Leitner GmbH & Co KEG
Auditor and tax advisor
Ottensheimer Strasse 30, 32, 36
A- 4040 Linz

Publications

In Austria the issue and redemption prices and other notices to Unitholders will be published in "Der Standard". The Management Company may also arrange for other publications.

Appendix A
To the Prospectus dated February 2015
of PHARMA/wHEALTH

List of the current Investment Managers to the Fund

The Management Company has appointed the following Investment Managers in order to render investment management services in relation to the investment and re-investment of the Fund Assets:

Wellington Management International Ltd.,

Wellington Management International Limited (WMIL), is regulated in the conduct of investment business by the UK Financial Conduct Authority (the “FCA”) with entity number 208573. WMIL is further authorized to conduct investment management business on a cross-border basis in a number of EEA countries pursuant to the passport under the EU's MiFID Directive. WMIL is also registered as an investment adviser with the US Securities and Exchange Commission with SEC file number 801-77318 WMIL reported to the FCA an assets under management figure of 46,475,970,000 GBP as of 30th June 2014.

SECTORAL ASSET MANAGEMENT INC.

SECTORAL ASSET MANAGEMENT INC. (“Sectoral”), incorporated in Canada, was founded in October 2000 by Jérôme Pfund, CFA and Michael Sjöström, CFA and is owned in majority by its employees. Sectoral employs 25 people and has established a proprietary Scientific Advisory Network (S.A.N.) of eight scientists and clinicians from around the world to help in its due-diligence. All their professionals have a CFA designation or are in the process of getting it.

As of 30 June 2013, Sectoral has approximately USD 2.8 billion under management, all in healthcare.

MEDICAL STRATEGY GmbH
Gesellschaft für strategische Konzeption im Gesundheitswesen mbh.

Medical Strategy GmbH is an independently owned investment advisor, located in Gräfelfing, Germany, and engaged in providing investment advisory and management services to clients mostly in Europe. All assets under management are targeted towards the healthcare sector.

As of 31 July 2013, assets under management approximated USD 164.3 million.

Luxembourg, February 2015

Appendix B
To the Prospectus dated February 2015
of PHARMA/wHEALTH

**Additional Information for the Distribution of the Units of
PHARMA/wHEALTH in Italy**

An investor who performs a subscription or redemption of units or shares through paying agents might be required to pay the fees connected to the activity carried out by said paying agents in the jurisdiction in which the offer of the units or shares is made.

Luxembourg, February 2015