

Storm Fund II
(a Luxembourg *société d'investissement à capital variable*)

PROSPECTUS

July 2014

Storm Fund II

is an umbrella fund composed of one or more Fund(s). Subscription of Shares can only be validly made on the basis of the information contained in the current Prospectus and the Key Investor Information accompanied by a copy of the latest annual report and a copy of the latest semi-annual report if this is published after the last annual report. These reports are an integral part of this Prospectus. No person is authorized to give third parties any information other than that contained in this Prospectus or the documents mentioned herein. Capitalised terms have the meaning assigned to them in the Section headed “Definitions”.

VISA 2014/95049-6081-0-PC

L'apposition du visa ne peut en aucun cas servir
d'argument de publicité
Luxembourg, le 2014-07-02
Commission de Surveillance du Secteur Financier



IMPORTANT INFORMATION

The Company is registered in the Grand Duchy of Luxembourg as an UCITS with multiple compartments pursuant to Part I of the 2010 Law and the UCITS Directive. However, such registration does not imply a positive assessment by the CSSF of the contents of this Prospectus or of the quality of the Shares offered for sale. Any representation to the contrary is unauthorised and unlawful.

The Company has appointed the Management Company in accordance with Part I of the 2010 Law, as further detailed below.

This Prospectus should be read in its entirety before making any application to subscribe for Shares. If you are in any doubt about the contents of this Prospectus or of any document referred to herein you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus and the documents referred to herein.

Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. It cannot be used for the purpose of offering and promoting sales in any country or any circumstances where such offers or promotions are not authorised. Investors wishing to invest in the Company are advised to inform themselves and seek professional advice so that they are fully informed of the possible legal, administrative or tax consequences and the possible effects of foreign exchange restrictions, controls or operations which might be required in connection with the subscription, purchase, holding, redemption, switching and sale of Shares under the laws in force in their countries of residence, domicile or establishment. Accordingly, no person receiving a copy of this Prospectus and/or an application form or subscription agreement in any territory may treat the same as constituting an invitation to purchase or subscribe for Shares nor should this person in any event use such an application form or subscription agreement unless in the relevant territory such an invitation could lawfully be made without compliance with any registration or other legal requirement.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all of the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

The Company also publishes a KIID that includes appropriate information about the essential characteristics of the Company and its Funds. The KIID is to be provided to subscribers so that they are reasonably able to understand the nature and the risks of the investment product that is being offered to them and, consequently, to take investment decisions on an informed basis. The KIID provides information on the following essential elements:

- (a) identification of the Company and the respective Fund;
- (b) a short description of its 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 investment, including appropriate guidance and warnings in relation to the risks associated with investments in the Company and/or the respective Fund.

This Prospectus and the KIID may be updated from time to time. Consequently, subscribers are advised to ask the Company for the most recent issue of the Prospectus and the KIID.

Data Protection

The Company, the Management Company, the Paying Agent and Registrar and Transfer Agent and other service providers will collect, store, disclose and process by electronic or other means the data supplied in the subscription or other forms or more generally within the context of the business relationship between the Investor and/or Subscriber and the Company.

The Investor or the Subscriber may, at his/her/its discretion, refuse to communicate the Personal Data to the Company and its services providers. In this case, however, the Company and/or the Management Company, as the case may be, may, in their sole discretion, reject his/her/its request for subscription of Shares.

In particular, the data supplied by Subscribers is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions and switching of Shares and payments of dividends to Shareholders, (iii) performing controls on late trading and market timing practices, (iv) complying with applicable anti-money laundering rules and (v) developing the business relationship between the Investor and/or the Subscriber and the Company. To these

ends, the data may be disclosed to such third parties as determined by the Company, the Management Company or the Paying Agent and Registrar and Transfer Agent. By subscribing for Shares in the Company, any Investor and, if different, any Subscriber consents to the use and disclosure of personal data. No data will be disclosed to unauthorized persons.

The Company and/or the Management Company, as the case may be, can delegate to another entity, the Processors, located in the European Union (such as the Administrative Agent, the Paying Agent and the Promoter) the processing of the Personal Data.

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

The distribution of this Prospectus in certain countries may require it to be translated into the languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the original English version of this Prospectus, the English version shall always prevail.

The price of the Shares and their income may go down as well as up and each subscriber may not get back the amount invested.

Copies of this Prospectus can be obtained from, and enquiries regarding the Company should be addressed to, the registered office of the Company.

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DEFINITIONS

"2010 Law"	The Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended and/or replaced from time to time.
"1915 Law"	The Luxembourg law of 10 August 1915 on commercial companies, as amended and/or replaced from time to time.
"Accumulation Shares" or "Acc Shares"	Shares which accumulate their income so that the income is included in the price of the Shares.
"Administration Fee"	The fee which is paid by the Company to the Management Company to meet the administrative and certain operating costs of the Company as well as costs of certain distribution arrangements.
"Appendix"	An appendix to the Prospectus.
"Auditor"	PricewaterhouseCoopers S.à r.l. , acting as auditor.
"Article"	An article of the Articles.
"Articles"	The articles of association of the Company, as amended and restated from time to time.
"Board"	The board of directors of the Company.
"Business Day"	A complete week day on which banks are normally open for business in Luxembourg, unless otherwise defined for a Sub-Fund in Appendix III.
"Company or SICAV or Fund"	Storm Fund II, which term shall, where appropriate, include any Sub-Fund from time to time thereof.
"Consolidation Currency"	The currency of the Company, i.e. the NOK.

"Custodian"	Sal. Oppenheim jr. & Cie. Luxembourg S.A., acting as custodian bank.
"Custodian Agreement"	The written agreement between the Custodian and the Company which provides for the rights and duties of the Custodian and of the Company.
"Custodian Fee"	The fee which is paid by the Company to the Custodian
"CSSF"	<i>Commission de Surveillance du Secteur Financier</i> or its successor in charge of the supervision of undertakings for collective investment in the Grand Duchy of Luxembourg.
"Dealing Currency"	The currency or currencies in which subscribers may subscribe for Shares in any Share Class as indicated in Section 1.3. and in Appendix III.
"Director"	A member of the Board.
"Distributor"	Any person or entity duly appointed from time to time to distribute or arrange for the distribution of Shares.
"Distribution Period"	The period from one date, on which dividends are paid by the Company to the next. This may be annual or shorter, where dividends are paid more regularly.
"Distribution Shares" or "Dist Shares"	Shares which distribute their income.
"Domiciliary Agent"	Oppenheim Asset Management Services S.à r.l., acting as domiciliary agent.
"EEA"	The European Economic Area.
"Eligible Market"	An official stock exchange or another Regulated Market.
"Eligible State"	Any Member State, any member state of the OECD, and any other

state which the Board deems appropriate with regard to the investment objective of each Sub-Fund.

"EMU"	The Economic and Monetary Union.
"EU"	The European Union.
"EU Savings Directive"	The European Directive 2003/48/EC on taxation of savings income in the form of interest payments, as amended and/or replaced from time to time.
"EUR"	The European currency unit (also referred to as the Euro).
"Feeder Fund"	A Fund which has been approved to invest at least 85 % of its assets in units or shares of another UCITS or sub-funds thereof (i.e., the Master Fund).
GBP	The legal currency of the United Kingdom
"Initial Issue Date"	For each Share Class, the Business Day on which the Shares, which have been subscribed for during the Initial Subscription Period, will be issued at the Initial Issue Price, as further outlined in Appendix III.
"Initial Issue Price"	The monetary amount at which Shares will first be issued, i.e. on the Initial Issue Date after the end of the Initial Subscription Period, as outlined in Appendix III.
"Institutional Investor"	As defined from time to time by the CSSF within the framework of the Luxembourg law, guidelines and administrative practice.
"Investor"	Any person on behalf of which Shares are subscribed for by a Subscriber.
"Key Investor Information Document" or "KIID"	A document that replaces the simplified prospectus and includes appropriate information about the essential characteristics of the Company and the relevant Sub-Fund.

"Management Company"	Oppenheim Asset Management Services S.à r.l., acting as management company of the Company.
"Management Fee"	The fee paid by the Company to the Management Company, which includes the Administration Fee and the Investment Advisory Fee, and is based on the Net Asset Value of the respective Sub-Fund.
"Master Fund"	A UCITS, or a Sub-Fund thereof, in which one or more Feeder Fund(s) invest at least 85% of their assets.
"Member State"	A member state of the EU.
"Mémorial"	The <i>Mémorial C, Recueil des Sociétés et Associations</i> , an official gazette of the Grand Duchy of Luxembourg.
"Minimum Subsequent Subscription Amount"	As defined in Appendix III for each Sub-Fund.
"Minimum Initial Subscription Amount"	As defined in Appendix III for each Sub-Fund.
"Money Market Instruments"	Instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
"Net Asset Value"	The Net Asset Value per Share multiplied by the number of Shares.
"Net Asset Value per Share"	The value per Share in any Share Class, expressed in the Dealing Currency and determined in accordance with the relevant provisions described in the Section headed "Calculation of Net Asset Value".
NOK	The legal currency of the Kingdom of Norway
"OECD"	The Organisation for Economic Co-operation and Development.

"Paying Agent and Registrar- and Transfer Agent"	Sal. Oppenheim jr. & Cie. Luxembourg S.A., acting as the Company's paying agent in Luxembourg.
"Paying Agent, Registrar- and Transfer Agent Agreement"	The written agreement between the Paying Agent, Registrar- and Transfer Agent and the Company which provides the rights and duties of the Paying Agent and of the Company.
Prohibited Person	The Board may impose such restrictions as it deems necessary for the purpose of ensuring that no Share in the Sub-Fund is acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which, in the sole and discretionary opinion of the Board might result in any Sub-Fund incurring any liability or taxation or suffering any other disadvantage which the Sub-Fund may not otherwise have incurred or suffered.
"Personal Data"	The data including <i>inter alia</i> the name, address and invested amount of each Subscriber or Investor.
"Processors"	Entities in the EU (such as the Administrative Agent, the Paying Agent and the Promoter) which process Personal Data.
"Promoter"	Sal. Oppenheim jr. & Cie. Luxembourg S.A., 4, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg, acting as promoter.
"Prospectus"	This document.
"Record Date"	The fifth day prior to a general meeting of Shareholders at midnight (CET) where the quorum and the majority requirements shall be determined according to the Shares issued and outstanding.
Reference Currency	The currency as defined in Appendix III for each Sub-Fund.
"Regulated Market"	Any market which is regulated, operates regularly and is recognised and open to the public according to the Directive 2004/39/EC of 21

April 2004 on markets in financial instruments, as amended and/or replaced from time to time.

"Retail Investor"	An Investor which does not qualify as an Institutional Investor.
"Section"	A section of the Prospectus.
"Service Agreement"	The written agreement between the Management Company and the Company which provides for the rights and duties of the Management Company and the Company.
"Share Class"	A class of Shares with a specific fee structure or other distinctive feature(s).
"Share"	A share of no par value in any one Share Class in the capital of the Company.
"Shareholder"	A holder of Share(s) entitled to an undivided co-ownership of the assets and liabilities comprising the relevant Sub-Fund and to participate and share in the gross income of the relevant Sub-Fund, registered by the Management Company as the owner of the Shares.
"Sub-Fund"	A separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund.
"Subscriber"	A person subscribing Shares on its own account or, as the case may be, on account of an Investor.
"UCITS"	An "undertaking for collective investment in transferable securities" within the meaning of article 1(2) letters (a) and (b) of the UCITS Directive.
"UCITS Directive"	The European directive 2009/65/EC on undertakings for collective investment in transferable securities, as amended and/or replaced

from time to time.

"UCI" An "undertaking for collective Investment" as defined under Luxembourg law.

"UK" The United Kingdom.

"USA" or "US" The United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

"USD" The United States currency unit (also referred to as the United States Dollar).

"US Person" Any citizen or resident of the United States of America (including any corporation, partnership or other entity created or organized in or under the laws of the United States of America or any political subdivision thereof) or any estate or trust that is subject to United States federal income taxation regardless of the source of its income.

"Valuation Day" Unless otherwise provided for in Appendix III, each Business Day which does not fall within a period of suspension of the calculation of the Net Asset Value per Share of the relevant Sub-Fund and such other Business Day as the Board may decide in its sole discretion from time to time.

"VaR" Value at Risk, a risk measurement tool to determine the global exposure risk of the Company.

All references herein to time are to Central European Time (CET) unless otherwise indicated. Words importing the singular shall, where the context permits, include the plural and vice versa.

BOARD OF DIRECTORS

Morten Eivindssøn Astrup – Chairman
CIO and Partner at Storm Capital Management Limited
100 New Bond Street
London W1S 1SP
United Kingdom

Silje Christine Augustson - Board Member
Le Fleuron Combles
Chemin de Pre-Christian 3
1936 Verbier
Switzerland

Thomas Albert – Board Member
Managing Director
Oppenheim Asset Management Services S.à r.l.
4, rue Jean Monnet
L-2180 Luxembourg, Grand Duchy of Luxembourg

ADMINISTRATION

Registered Office of the Company

4, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

Management Company and Domiciliary Agent

Oppenheim Asset Management Services S.à r.l., 4, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

Custodian

Sal. Oppenheim jr. & Cie. Luxembourg S.A., 4, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

Paying Agent, Registrar- and Transfer Agent

Sal. Oppenheim jr. & Cie. Luxembourg S.A., 4, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

Auditor

PricewaterhouseCoopers S.à r.l., 400, route d'Esch, L-1471 Luxembourg.

Promoter

Sal. Oppenheim jr. & Cie. Luxembourg S.A., 4, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

1. THE COMPANY

1.1 STRUCTURE

The Company is an open-ended investment company organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as a *société d'investissement à capital variable* ("SICAV") under part I of the 2010 Law. The Company operates separate Sub-Funds, each of which is represented by one or more Share Class(es). The Sub-Funds are distinguished by their specific investment policy or any other specific features.

The Company constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund, in accordance with article 181 of the 2010 Law.

The Fund was initially created under the laws of the Grand Duchy of Luxembourg in contractual form as a *fonds commun de placement* pursuant to the provisions of the amended law of 13 February 2007 on specialized investment funds (the "2007 Law").

On 29 November 2012 the legal form of the Fund has changed from an incorporated contractual co-ownership scheme (*fonds commun de placement*) into an investment company with variable share capital (*société d'investissement à capital variable*), organised as a *société anonyme* ("S.A.") subject to the 2007 Law and immediately thereafter that Company has been converted into an investment company organised as a S.A. governed by the part I of the 2010 Law. Thus, the current Company, subject to the 2010 Law is the successor of the contractual co-ownership scheme (*fonds commun de placement*) and the Company shall be considered to be entitled to and bound by all applicable rights and obligations.

The Board may at any time resolve to set up new Sub-Funds and/or create within each Sub-Fund one or more Share Class(es) and this Prospectus will be updated accordingly. The Board may also at any time resolve to close a Sub-Fund, or one or more Share Class(es) within a Sub-Fund, to further subscriptions. The Board may choose to assert such right in respect of all Investors, or just new Investors or accept subscriptions on behalf of some Investors but not others.

1.2 INVESTMENT OBJECTIVES AND POLICIES

The exclusive purpose of the Company is to invest the funds available to it in transferable securities and other assets permitted by law with the aim of spreading investment risks and affording its Shareholders the results of the management of its assets. The Company may take any measures and carry out any transaction which it may deem useful for the fulfilment and development of its purpose to the largest extent permitted under the 2010 Law.

Moreover, the Board may adopt, for one or more Sub-Fund(s), master-feeder strategies in view of pooling its assets and achieving economies of scale between European-domiciled UCITS within the meaning of article 1, paragraph 2 (a) and (b) of the UCITS Directive. The relevant Feeder Fund can thus derogate from the standard diversification limits in order to invest its assets in only one Master Fund or compartment thereof. The Feeder Fund will have to invest at least 85% of its assets in the Master Fund with the 15% remaining assets being invested in other eligible assets. A Feeder Fund may either cease to be a Feeder Fund or replace its Master Fund, Shareholders will then be informed accordingly and both, the Prospectus and the relevant KIID will be adapted accordingly after the prior approval of the CSSF.

Any Sub-Fund may further invest its assets in Shares issued by another Sub-Fund in accordance with Luxembourg laws, regulations and administrative practice. Within the Company it is hence possible to create Sub-Funds with fund of funds investment policies which may invest its monies in Shares issued by other Sub-Fund(s), without the Company being subject to the relevant provisions of the 1915 Law. However, not more than 10% of the assets of the target Sub-Fund can then be invested in other Sub-Funds. The voting rights of the Shares in the target Sub-Fund are suspended during the period of investment. In this context Management Fees may only be charged once.

The specific investment objectives and policies of each Sub-Fund are described in Appendix III.

The investments of each Sub-Fund shall at any time comply with the restrictions set out in Appendix I, and Investors should, prior to any subscription being made, take due account of the investment risks set out in Appendix II.

1.3 SHARE CLASSES

The Board may decide to issue within each Sub-Fund one or more Share Class(es) whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund,

but where a specific fee structure, currency of denomination, dividend policy or other specific feature applies. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Share Class. The Share Classes available at the date of this Prospectus and the particular features are disclosed in Appendix III.

Shares may be differentiated between Accumulation Shares and Distribution Shares. Investors may enquire at the Administrator or their Distributor whether any Accumulation or Distribution Shares are available within each Share Class and Sub-Fund.

In each Sub-Fund, one or more Share Class(es) may be hedged against different currency risks as further specified in Appendix III.

Investors are informed that not all Distributors offer all Share Classes and Sub-Funds.

In case of the creation of additional Share Classes, this Prospectus and the relevant KIID will be updated accordingly.

Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount (as indicated or equivalent in any freely convertible currencies)

The Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount that may be applied can vary according to the Sub-Fund and the Share Class, and are provided for in Appendix III.

The Board may in its absolute discretion from time to time waive any Minimum Initial Subscription Amount and/or Minimum Subsequent Subscription Amount.

2. SHARE DEALING

2.1. ISSUE, REDEMPTION AND SWITCH OF SHARES

Shares may be purchased and redeemed at the offices of the Company, the Management Company, the Custodian and/or the Paying Agent(s). In addition it is possible to purchase Shares through third parties, in particular through other banks and financial services providers. The Company, the Management Company, the Custodian, the Registrar- and Transfer Agent and other distributors shall at all times comply with statutory and other regulations relating to the prevention of money laundering.

As a general rule, Shares may only be purchased by an Investor acting through a Subscriber that

is either (i) a credit institution established in the European Union and authorised as credit institutions pursuant to the directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions, or (ii) a financial institution within the meaning of the directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, or (iii) a credit or financial institution established outside the European Union provided that such institution is subject to customer due diligence measures that are at least equivalent to those laid down in the aforementioned directive 2005/60/EC and the implementation of which is subject to supervision.

Investors are advised to seek information on their rights and obligations vis-à-vis the Subscriber under the laws of the country governing their relationship with the Subscriber. Vis-à-vis the Company, only the person entered into the share register of the Company or, as the case may be, only the person holding bearer shares will, as a matter of Luxembourg law, be regarded as the owner of Shares. Subscribers may allow Investors to exercise the voting rights attaching to the Shares acquired on behalf of the Investors by appointing the relevant Investor as their proxy.

In exceptional cases, the Company and/or the Registrar and Transfer Agent may, but are not obliged to, accept subscriptions directly from Investors.

Issue of Shares

Any initial subscription for Shares must be made in writing either directly to the SICAV or the Registrar- and Transfer Agent by completion of an application for subscription (the "Application Form") and submission of other relevant documents. Processing of the Application Form will only commence once they are received by the Registrar- and Transfer Agent in Luxembourg.

Application for subsequent subscriptions may be made otherwise in writing, provided that all information and documents required in the Application Form are provided to the satisfaction of the Registrar- and Transfer Agent.

The Board reserves the right to reject, in whole or in part, any subscription without giving any reason thereof.

The Minimum Subscription Amount for initial and subsequent subscriptions of Shares in any Sub-Sub-Fund and/ or Class are specified in the Appendices. The Board may, in its discretion, waive or modify such amounts.

If completed Application Forms for subscriptions are received by the Registrar- and Transfer

Agent no later than 10.30 a.m. CET (Cut-Off-Time) one Business Day before a Valuation Day ,shares will normally be issued at the relevant Net Asset Value per Share as calculated on that Valuation Day, as described below in the Section headed "Calculation of Net Asset Value" (incorporating any applicable subscription fee). The Board may determine a different Cut-Off-Time for subscriptions in each Sub-Fund. For details regarding each Sub-Fund please refer to Appendix III.

However, the Management Company reserves the right to suspend the issue of Shares either temporarily or permanently in its sole discretion; in such cases, any payment(s) already made shall be refunded without delay.

Redemption of Shares

Any Shareholder has the right at any time to have all or part of his Shares of any Class in any Sub-Fund redeemed by the Company.

Any Shares redeemed by the Company will be cancelled. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are sold will be charged to the Shareholder concerned.

Written redemption orders have to be sent via the Depository Bank of the Shareholder which will transmit the order to the Registrar- and Transfer Agent for processing; however, processing of such orders received will only commence once the original orders have been received by the Registrar- and Transfer Agent.

The redemption order must state the number of Shares the Shareholder wishes to redeem or the monetary amount to be redeemed and the Class and Sub-Funds from which such Shares are to be redeemed as well as and all necessary references enabling the payment of the redemption proceeds.

The Redemption Price (after deduction of redemption fee if any) may be higher or lower than the Subscription Price paid by the Shareholder at the time of subscription, depending on whether the Net Asset Value has appreciated or depreciated.

Redemption instructions accepted by the Registrar- and Transfer Agent no later than 10.30 a.m. CET (Cut-Off-Time) one Business Day before a Valuation Day will normally be executed at the relevant Net Asset Value per Share as calculated on that Valuation Day (less any applicable redemption charge). The Board may determine a different Cut-Off-Time for redemptions in each Sub-Fund. For details regarding each Sub-Fund please refer to Appendix III.

The Custodian shall be required to make the relevant payment only where no statutory provisions, for example foreign exchange regulations, or other circumstances beyond the control of the Custodian prevent remittance of the redemption price.

The subscription and redemption of Shares should be made for investment purposes only. The Management Company does not tolerate “market timing” or other excessive trading practices, as described under Section 2.5.

Switching Procedure

A switch transaction is a transaction by which the holding of a Shareholder is switched either into Shares of another Share Class(es) within the same Sub-Fund or into Shares of one of more Share Class(es) in different Sub-Fund(s), provided they have similar settlement periods.

Acceptance by the Registrar- and Transfer Agent of switching instructions will be subject to the availability of the new Share Class and/or Sub-Fund and to the compliance with any eligibility requirements and/or other specific conditions attached to the new Share Class and/or Sub-Fund (such as minimum subscription and holding amounts, if any). The switching procedure is processed as a redemption followed by a new subscription. A Shareholder may therefore realise a taxable gain or loss or cause other taxable events in connection with this switching under the laws of the country of the Shareholder’s citizenship, residence or domicile. Shareholders should seek advice from their local tax advisers to be informed on the local tax consequences of such transaction.

A switch transaction may only be processed on the first Valuation Day on which the Net Asset Values of the Share Class and/or Sub-Fund(s) involved in said transaction are calculated.

Shareholders may request at any time the switching of all or part of their holdings into Shares of another Sub-Fund or Share Class, except if provided otherwise in Appendix III for the relevant Share Class and/or Sub-Fund.

Written switch requests have to be sent via the Depository Bank of the Shareholder which will transmit the order to the Registrar- and Transfer Agent for processing by indicating both the name of the Share Class and Sub-Fund into which the Shares are to be switched and the name of the initial Share Class and the Sub-Fund. The Company may charge a Switching fee as further set out in the relevant Appendices.

The Board may suspend switching in respect of Shares during any period in which the

determination of the Net Asset Value of the relevant Sub-Fund and/ or Class has been suspended in accordance with the section below "Suspensions and Deferrals" of this Prospectus.

Provided the switch request together with the required documentation is received no later than 10.30 a.m. CET one Business Day before a Valuation Day by the Registrar and Transfer Agent, the Shares will be switched on that Valuation Day based on the respective Net Asset Value(s) per Share applicable for that Valuation Day. Requests received after this cut-off time will be switched on the next following Valuation Day. The Board may determine a different Cut-Off-Time for switches of each Sub-Fund. For details regarding each Sub-Fund please refer to Appendix III.

For the avoidance of doubt, the Company will not assist the Shareholders in switching some or all of their Shares into shares or units of another UCI.

Publications

The Management Company will ensure that information intended for the Shareholders is either published or communicated to them in an appropriate manner.

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

1. Prospectus;
2. Articles;
3. KIID;
4. Custodian, Investment Manager, Paying Agent and Registrar- and Transfer Agent Agreements; and
5. Latest annual and semi-annual reports of the Company.

The Prospectus may be delivered in durable medium or by means of a website. A hard copy shall, in any case, be supplied to Investors on request and free of charge. This also includes the publication of the Share prices in those countries in which Shares are offered for sale to the public. The issue and redemption prices can also be obtained from the Management Company, the Custodian and the Paying Agent(s). The annual and semi-annual reports as well as the Prospectus, the KIID and the Articles are also available free of charge from these parties, upon request by the Investor.

Different procedures may however apply if subscriptions or redemptions are made through Distributors.

All applications to subscribe for Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for the relevant Valuation Day.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general meetings of shareholders, if the investor is registered himself and in his own name in the register of shareholders 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 shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

Types of Shares

In general, all the Shares will be issued in uncertificated registered form and the Share register is conclusive evidence of ownership. The SICAV treats the registered owner of a Share as the absolute and beneficial owner thereof.

Shares are issued without par value and must be fully paid upon issue. Upon issue, Shares are entitled to participate equally in the profits and dividends attributable to the relevant Share Class of the relevant Sub-Fund, as well as in the liquidation proceeds of the SICAV attributable to the relevant Share Class.

Shares do not carry any preferential or pre-emptive rights. Each Share, irrespective of the Share Class or Sub-Fund to which it belongs or its Net Asset Value, is entitled to one vote at all general meetings of Shareholders.

Fractions of Shares up to three decimal places will be issued, the SICAV being entitled to receive the adjustment. Fractions of Shares are not entitled to a vote, but are entitled to participate in the distributions and the liquidation proceeds.

Shares may be subject to certain transfer restrictions as set forth in the Articles of Incorporation.

The Board may determine whether the Company shall issue Shares either in bearer form or in registered form in accordance with Article 6ff. of the Articles for a certain Sub-Fund.

In case Shares are issued as bearer Shares, a global bearer share certificate will be deposited with one or several central securities depositaries. The Shares represented by such global bearer share certificate may be transferred in accordance with the laws applicable to the central securities

depository and its internal rules and procedures. The entitlements of the investors will be recorded in the securities account directly or indirectly kept by their nominees with the central securities depository.

In case Shares are issued as ordinary registered Shares, the register of Shareholders will be kept by the Registrar and Transfer Agent in accordance with applicable Luxembourg laws. The inscription of the Shareholder's name in the register of Shareholders evidences his or her right of ownership of such Shares. No Share certificates will be delivered to registered Shareholders.

Shares are issued without par value and must be fully paid upon issue. Upon issue, Shares are entitled to participate equally in the profits and dividends attributable to the relevant Share Class of the relevant Sub-Fund, as well as in the liquidation proceeds of the SICAV attributable to the relevant Share Class.

Any derogation from the general rule for the Types of Shares and all relevant provisions will be disclosed under the respective Sub-Fund. For details regarding each Sub-Fund please refer to Appendix III.

General

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Management Company and/ or the Company, in its absolute discretion, reserves the right to reject any application, either in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the Investor and/ or the Subscriber without interest. Prospective Investors and Subscribers should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

Anti-Money Laundering Procedures

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended) as well as circulars of the CSSF, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the Company must ascertain the identity of the Subscriber and/or the Investor. Subscribers and/or Investors are required to provide acceptable proof of identity and for Subscribers or Investors who are legal entities, an extract from the registrar of companies or articles of incorporation or other official documentation. In any case, the Company or any of its agents or delegates may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the Company nor the Registrar- and Transfer Agent nor any other agent of the Company have any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under relevant laws and regulations.

Restrictions applying to certain Investors

General

Shares may not be held by or for the benefit of any person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations. Each Subscriber must represent on demand from the Registrar- and Transfer Agent and warrant to the Registrar- and Transfer Agent and/or the Company that, amongst other things, the Subscriber and, if different, the Investor is able to acquire Shares without violating applicable laws. Power is reserved in the Articles to compulsorily redeem any Shares held directly or

beneficially in contravention of these prohibitions.

US Investors

Shares are not offered in the United States and may not be offered to or purchased by or on behalf of a citizen or resident thereof.

As the SICAV is not registered under the United States Securities Act of 1933, as amended, nor has the SICAV been registered under the United States Investment Company Act of 1940, as amended, its Shares may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof (hereinafter referred to as "US Persons"). Accordingly, the SICAV may require any Subscriber to provide it with any information that it may consider necessary or useful for the purpose of deciding whether or not the Subscriber or, if different, the Investor is, or will be, a Prohibited Person or a US Person.

General

Confirmations of transactions will normally be dispatched by the Registrar- and Transfer Agent on the Business Day following the Valuation Day on which the Shares have been switched. Shareholders should promptly check these confirmations to ensure that they are correct in every detail. Delay in providing the relevant documents may cause the instruction to be delayed or lapse and/or be cancelled. Due to the settlement period necessary for redemptions, switch transactions will normally not be completed until the proceeds from the redemption are available.

Switch requests are binding and irrevocable and will, at the discretion of the Management Company, only be executed where the relevant Shares have been duly issued.

Switches may not be completed until such time as the original subscription has been settled in full.

Different switching procedures may apply if instructions to switch Shares are communicated via Distributors.

All instructions to switch Shares shall be dealt with on an unknown Net Asset Value basis, i.e. before the determination of the respective Net Asset Value(s) per Share for the Valuation Day concerned.

2.2. CALCULATION OF NET ASSET VALUE

Currencies

The Net Asset Value per Share is expressed in the Dealing Currency set for each Share Class. The Net Asset Value of each Sub-Fund is expressed in the relevant Reference Currency of the Sub-Fund. The Net Asset Value of the Company is expressed in the Consolidation Currency of the Company, i.e. the NOK, and consolidation of the various Sub-Funds is obtained by translating the Net Asset Value of all Sub-Funds into NOK and adding them up.

Calculation of the Net Asset Value per Share

- (A) The Net Asset Value per Share of each Share Class within the relevant Sub-Fund will be calculated on each Valuation Day in the Dealing Currency of the relevant Share Class. It will be calculated by dividing the total net asset value attributable to each Share Class within the relevant Sub-Fund, being the proportionate value of its assets less the portion of liabilities attributable to such Share Class within such Sub-Fund, by the number of Shares of such Share Class then outstanding. The resulting Net Asset Value per Share shall be rounded to the nearest two decimal places.
- (B) In valuing total assets, the following rules will apply:
- (1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board may consider appropriate in such case to reflect the true value thereof.
 - (2) The value of such securities, financial derivative instruments and assets will be determined on the basis of the official settlement price or last available price on the stock exchange or any other Regulated Market as aforesaid on which these securities or assets are traded or admitted for trading.
 - (3) If a security is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities so traded or admitted the last available settlement price or the last available closing price of which does not reflect their true value, the Board is required to proceed on the basis of their

expected sales price, which shall be valued with prudence and in good faith.

- (4) The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Board's initiative. The reference to fair value shall be understood as a reference to the amount for which an asset could be exchanged, or a liability be settled, between knowledgeable, willing parties in an arm's length transaction. The reference to reliable and verifiable valuation shall be understood as a reference to a valuation, which does not rely only on market quotations of the counterparty and which fulfils the following criteria:
 - (a) The basis of the valuation is either a reliable up-to-market value of the instrument, or, if such value is not available, a pricing model using an adequate recognised methodology.
 - (b) Verification of the valuation is carried out by one of the following:
 - (i) an appropriate third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that the Company is able to check it;
 - (ii) a unit within the Management Company which is independent from the department in charge of managing the assets and which is adequately equipped for such purpose.
- (5) The value of swaps is calculated by the calculation agent of the swap transactions, according to a method based on market value, recognised by the Board and verified by the Fund's auditor;
- (6) Units or shares in undertakings for collective investments shall be valued on the basis of their last available net asset value as reported by such undertakings.
- (7) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.
- (8) If any of the aforesaid valuation principles do not reflect the valuation method

commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Board may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

- (9) Any assets or liabilities in currencies other than the Reference Currency of the Sub-Funds will be converted using the relevant spot rate quoted by a bank or other recognised financial institution.

The Board is authorised to apply other appropriate valuation principles for the assets of the Sub-Funds and/or the assets of a given Share Class if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

2.3. SUSPENSIONS AND DEFERRALS

- (A) The Management Company reserves the right not to accept instructions to redeem or switch on any one Valuation Day more than 10% of the total value of Shares in issue of any Sub-Fund. In these circumstances, the Board may decide that the redemption of part or all Shares in excess of 10% for which a redemption or switch has been requested will be deferred for a period that the Board consider to be in the best interest of the relevant Sub-Fund, but normally not exceeding 15 Valuation Days. On the Valuation Day immediately following such period, deferred requests will be dealt with in priority to subsequent requests and in the order in which requests were initially received by the Administrator.
- (B) The Company reserves the right to defer the payment of the redemption proceeds for so long as shall be necessary to repatriate the proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of a Sub-Fund are invested or in exceptional circumstances in which the liquidity of a Sub-Fund is not sufficient to meet the redemption requests.
- (C) The Company may suspend or defer the calculation of the Net Asset Value per Share of any Share Class in any Sub-Fund and/or the issue and/or redemption of any Share Class in any Sub-Fund, and/or the right to switch Shares of any Share Class in any Sub-Fund into Shares of the same Share Class of the same Sub-Fund or any other Sub-Fund:
 - (a) during any period when, according to the opinion of the Board, any of the principal stock exchanges or any other Regulated Market on which any substantial

portion of the Company's investments of the relevant Share Class for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

- (b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Sub-Fund by the Company is impracticable; or
 - (c) during any breakdown in the means of communication normally employed in determining the price or value of any of the Company's investments or the current prices or values on any market or stock exchange; or
 - (d) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot, in the opinion of the Board, be effected at normal rates of exchange; or
 - (e) if the Company, or the relevant Sub-Fund, is being, or may be wound-up, on or following the date on which notice is given to the relevant meeting of Shareholders to wind up the Company; or
 - (f) when for any other reason the valuation of an investment of the Company attributable to the relevant Sub-Fund cannot be promptly or accurately ascertained; or
 - (g) if the calculation of the share or unit price in the respective master fund, in which one or more Sub-Fund(s) invest in, has been suspended; or
 - (h) in the event of a merger or a similar event concerning the Company and/or one or more Sub-Fund(s) if deemed necessary by the Board in the best interest of the Shareholders concerned; or
 - (i) in case of the suspension of the calculation of an index underlying a financial derivative investment material to a Sub-Fund.
- (D) The suspension of the calculation of the Net Asset Value per Share of any Sub-Fund shall not affect the valuation of other Sub-Funds, unless these Sub-Funds are also affected.

- (E) During a period of suspension or deferral, a Shareholder may withdraw his/her/its request in respect of any Shares not yet redeemed or switched by notice in writing received by the Administrator before the end of such period.

Shareholders will be informed of any suspension or deferral as appropriate.

2.4. MARKET TIMING AND FREQUENT TRADING POLICY

Subscriptions, redemptions and switching of Shares should be made for investment purposes only. The Company does not permit market-timing or other excessive trading practices. The Board determines the prices of the Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be subscribed or redeemed (exclusive of any charges). Subscription applications have to be received and will be accepted for each Sub-Fund only in accordance with the deadlines laid down in the Section "Share Dealing". Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Company and the Shareholders, the Company and/or the Management Company have the right to either reject any purchase or switching order or levy, in addition to any subscription or switching fees which may be charged according to the relevant Sub-Fund Details in Appendix III, a fee of up to 3% of the value of the order for the benefit of the Company from any Subscriber or Investor who is engaging in excessive trading or has a history of excessive trading or if an Investor's or Subscriber's trading, in the opinion of the Company and/or the Management Company, has been or may be disruptive to the Company or any of the Sub-Funds. In making this judgment, the Company and/or the Management Company may consider trading done in multiple accounts under common ownership or control. The Company and/or the Management Company also have the power to mandatorily redeem all Shares held by a Shareholder who is or has been engaged in excessive trading in accordance with the relevant provisions of the Articles. Both the Company and the Management Company will not be held liable for any loss resulting from rejected orders or mandatory redemptions.

3. GENERAL INFORMATION

3.1 ADMINISTRATION DETAILS, CHARGES AND EXPENSES

Board of Directors

The Company shall be managed by a Board composed of not less than three Directors, who need not be Shareholders. The Directors shall be elected by the Shareholders at a general meeting of Shareholders; the latter shall further determine the number of Directors, their remuneration and

the term of their office.

Management Company and Domiciliary Agent

The Board has appointed Oppenheim Asset Management Services S.à r.l. as the Company's Management Company to perform investment management, administration and marketing functions as described in annex II of the 2010 Law.

Oppenheim Asset Management Services S.à r.l., a *société à responsabilité limitée* (limited liability company) under Luxembourg law, was originally established as Oppenheim Investment Management International S.A., a *société anonyme* (public limited company) under Luxembourg law, on 27 September 1988, changing its legal form on 31 August 2002 and its name lastly on 1 October 2007. Its articles of association were last amended on 30 August 2013 and filed with the Luxembourg Commercial Register on 6 September 2013. A notice of this filing was published in the *Mémorial* on 19 September 2013.

The Management Company is authorized under chapter 15 of the Law 2010 and fulfils the own funds requirements of this law. The registered office of the Management Company is in the City of Luxembourg.

The Management Company has been permitted by the Company to delegate certain administrative, distribution and investment management and/or advisory functions to specialised service providers. In that context, the Management Company has delegated certain administration functions to Sal. Oppenheim jr. & Cie. Luxembourg S.A. and may delegate certain marketing functions to the Distributors and investment management and/or advisory functions to specialised service providers.

The Management Company will monitor the activities of the third parties to which it has delegated functions on a continued basis in accordance with applicable law and regulations. The agreements entered between the Management Company and the relevant third parties provide that the Management Company can give further instructions to such third parties and that it can withdraw their mandate at any time with immediate effect if this is in the interest of the Shareholders. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Company pays Management Fees as specified in Appendix III to the Management Company *per annum* based on the Net Asset Value of the Company. The level of Management Fees may vary at the Boards' discretion, as agreed with the Management Company, across Sub-Funds and Share Classes. Management Fees accrue on each Valuation Day (with respect to the Share Class concerned), are based on the Net Asset Value of the relevant Share Class and are paid monthly

based on the last available Net Asset Value of the relevant Share Class. Management Fees comprise, without limitation, all operation costs and expenses incurred by the Company and the Management Company, with the exception of the fees of the Custodian, and any taxes thereon. In addition, taxes payable by the Company such as subscription taxes, withholding taxes, legal expenses and certain Investor relations expenses remain payable by the Company. The KIID provides information on costs and associated charges with regard to the Company.

The Management Company shall also ensure compliance with the investment restrictions and oversee the implementation of the Sub-Funds' strategies and investment policies.

The Management Company acts as management company for other investment funds. The names of these other funds are available upon request.

The Company has also appointed Oppenheim Asset Management Services S.à r.l. as Domiciliary Agent.

The Domiciliary Agent is responsible for all corporate agency duties required by Luxembourg law and, in particular, for providing and supervising the mailing of statements, reports, notices and other documents to the Shareholders in compliance with the provisions of, and as more fully described in, the agreement mentioned hereinafter.

Investment Manager

With the consent of the Board, the Management Company may from time to time appoint one or more Investment Manager, who may, subject to the approval of the Management Company, sub-delegate their powers, in which case the Prospectus will be updated or supplemented accordingly. The Investment Managers provide the Management Company with advice, reports and recommendations in connection with the management of the assets of the Sub-Funds and shall advise the Management Company as to the selection of liquid assets and other securities and assets constituting the portfolios of the Sub-Funds and have discretion, on a day-to-day basis and subject to the overall control and responsibility of the Management Company of the Company, to purchase and sell such liquid assets and other securities and otherwise to manage the Sub-Funds' portfolios. This also includes order execution powers of the Investment Manager. Any management activities of the Investment Managers shall be subject to compliance with the investment objective, strategy and restrictions of the relevant Sub-Funds as set out in this Prospectus as well as with any additional restrictions and directions notified by the Management Company to the Investment Managers from time to time.

The Investment Managers may from time to time, under their own responsibility, appoint one or

several investment advisers to advise the Investment Managers in relation to the management of the assets of the Fund. The appointment of one or more investment advisers will not lead to an increase of expenses for the Company. In case of the appointment of any such investment advisers by the Investment Manager, the Investment Manager shall exercise reasonable care in the selection and supervision of the relevant investment advisers.

Investment Management Fee

The Investment Manager is entitled to receive an Investment Management Fee as remuneration for its services, which will be paid out of the Management Fee. Such fees are calculated and accrued on each Valuation Day by reference to the Net Asset Values of the Sub-Funds and paid monthly in arrears.

The Investment Manager may, in its sole discretion, share the Investment Management Fee with selected Distributors and other entities engaged in the distribution of Shares and/or investor relations of the Company.

The Investment Management Fee for each Sub-Fund and/ or Share Class is outlined in the relevant Appendix to this Prospectus.

Performance Fee

The Management Company and/ or the Investment Manager may, in addition to the Management Fee, be entitled to a performance fee. Details of such a performance fee, if applicable, are set out in the relevant Appendix to this Prospectus.

Custodian

The Company has appointed Sal. Oppenheim jr. & Cie. Luxembourg S.A., Luxembourg, as Custodian to provide the services of custody, deposit, delivery and receipt of securities and cash settlement on behalf of the Company. Sal. Oppenheim jr. & Cie. Luxembourg S.A. also acts as Paying Agent. Sal. Oppenheim jr. & Cie. Luxembourg S.A. will carry out the payment of distributions, if any, and the payment of the redemption proceeds.

Sal. Oppenheim jr. & Cie. Luxembourg S.A. is a credit institution that is licensed and supervised by the Luxembourg authorities of the financial sector in accordance with the provisions of the amended law of 5 April 1993 on the financial sector. It is incorporated in Luxembourg as a public limited company (*société anonyme*) and has its registered office at 4, rue Jean Monnet 2180, Luxembourg. It is registered with the Luxembourg Register of Trade and Companies under

the number B 110.890. The main business of Sal. Oppenheim jr. & Cie. Luxembourg S.A. is to provide custody and related services to Luxembourg investment funds.

The Company's assets will be held in custody with the Custodian or with third parties provided that the Custodian shall carefully select and supervise such third parties, i.e. the Custodian shall be satisfied at all times that the third parties with whom the Company's assets are held in custody are reputable, competent and have sufficient financial resources. However, if it is not possible for the Custodian to select itself the third party with whom the Company's assets are to be kept safe at the Company's request, since the only third party(ies) in the relevant market segment that is (are) able to keep safe the Company's assets does (do) not meet the conditions to be established by the Custodian on a case-by-case basis, the Custodian shall be released from its obligation to carefully select the third party.

The Custodian shall also:

- a) ensure that the sale, issue, redemption and cancellation of Shares effected by the Company or on its behalf are carried out in accordance with the law or the Articles;
- b) ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the customary time limits; and
- c) ensure that the income of the Company is applied in accordance with the Articles.

The Custodian receives from the Company a fee in relation to these services.

The level of the Custody fee may be subject to review by the Custodian and the Company from time to time. In addition, the Custodian is entitled to any reasonable expenses properly incurred in carrying out its duties and to those fees provided for in the Custodian Agreement.

The amounts paid to the Custodian will be shown in the Company's financial statements.

The rights and duties of the Custodian are governed by the Custodian Agreement.

Paying Agent and Registrar- and Transfer Agent

With the consent of the Company, the Management Company has appointed Sal. Oppenheim jr. & Cie. Luxembourg S.A. as Paying Agent responsible for the payment of distributions to Shareholders. The Company may appoint additional paying agents in the future. In this case, the Prospectus and the KIID will be updated accordingly.

The Paying Agent receives a fee from the Management Company in relation to its services. Such fee is in accordance with usual practice in Luxembourg paid on a monthly basis and calculated and accrued at the end of the month considered. This fee may be subject to review by the Paying Agent and the Management Company from time to time.

In certain countries, Investors may be charged additional monetary amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

With the consent of the Board, Sal. Oppenheim jr. & Cie. Luxembourg S.A., Luxembourg, has further been appointed as Registrar and Transfer Agent of the Company. As such, it maintains the register of shareholders of the Fund in accordance with the laws of Luxembourg.

The rights and duties of Sal. Oppenheim jr. & Cie. Luxembourg S.A. acting as Paying Agent and as Registrar- and Transfer Agent are governed by a written Paying Agent and Registrar and Transfer Agent Agreement.

Subscription and redemption fees

The Company may levy subscription and/or redemption fees for each Share Class as outlined in Appendix III.

Formation and launching expenses of the Company and of the Sub-Funds

The costs and expenses of establishing the Company will be borne by, and payable out of the assets of, the Sub-Funds existing at the launch of the Company and may be amortized over a period not exceeding five years.

The expenses incurred by the Company in relation to the launch of new Sub-Fund(s) will be borne by and payable out of the assets of those Sub-Fund(s) and may be amortized over a period not exceeding five years.

Other Charges and Expenses

The Company will pay all charges and expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses and fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares may be marketed in different countries; costs of advertising; expenses incurred in the issue, switch and redemption of Shares and payment of dividends,

registration fees, insurance, interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs connected with the technical establishment of methods for measuring and analysing the performance and the risk of the Sub-Fund; costs of printing proxies, statements, Share certificates or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation for investor relation purposes.

The Company may indemnify any director, authorized officer, employee or agent, their heirs, executors and administrators, to the extent permitted by law, for all costs and expenses borne or paid by them in connection with any claim, action, law suit or proceedings brought against them in their capacity as Director, authorized officer, employee or agent of the Company, except in cases where they are ultimately sentenced for gross negligence. In the case of an out of court settlement, such indemnification will only be granted if the Company's legal adviser is of the opinion that the Director, authorized officer, employee or agent in question did not fail in their duty and only if such an arrangement is approved beforehand by the Board. The right to such indemnification does not exclude other rights to which the director, authorized officer, employee or agent are entitled. The rights to indemnification provided herein are separate and do not affect the other rights to which a Director, authorized officer, employee or agent may now or later be entitled and shall be maintained for any person who has ceased their activity as director, authorized officer, employee or agent.

The KIID provides information on these costs and associated charges.

Soft Commission Arrangements

The Management Company may enter into soft commission arrangements with brokers under which certain business services are obtained for third parties and are paid for by the brokers out of the commissions they receive from transactions of the Company. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the Management Company to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers.

The Management Company shall comply with the following conditions when entering into soft commission arrangements: (i) it will act at all times in the best interest of the Company; (ii) brokerage commissions on portfolio transactions for the Company will be directed to broker-dealers that are entities and not to individuals; and (iii) agreements concerning soft commissions will be disclosed in the annual report.

Rebates

The Investment Manager and/or the Management Company shall be entitled to rebates with respect to brokerage fees and retrocession paid on behalf of the Fund. Such rebates may be credited to the Fund but may also be retained by the Investment Manager and/or Distributors and are not required to be credited to the Fund. Any amounts so retained by the Investment Manager shall be disclosed in the financial statements. 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.

Authorisation of and Indemnification for Instructions

By giving any instructions by facsimile, or any other communication medium acceptable to the Administrator, Shareholders irrevocably authorise the Management Company and the Administrator to act upon such instructions and shall fully indemnify the Company, Management Company and Administrator on demand against any liability of any nature whatsoever arising to any of them as a result of them acting on such instructions. The Management Company and the Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instruction or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.

3.2 COMPANY INFORMATION

The Company is an umbrella structured open-ended investment company with limited liability, organised as a *société anonyme* and qualifies as a *société d'investissement à capital variable* ("SICAV") under part I of the 2010 Law. The Company was incorporated on the 29 day of November 2012 and its Articles were published in the Mémorial on the 27 day of December 2012.

The Company is registered under number B 173421 with the *Registre de Commerce et des Sociétés* of Luxembourg, where the Articles have been filed and are available for inspection. The Company exists for an indefinite period.

The Fund was initially created under the laws of the Grand Duchy of Luxembourg in contractual form as a *fonds commun de placement* pursuant to the provisions of the amended law of 13 February 2007 on specialized investment funds (the "2007 Law").

On 29 November 2012 the legal form of the Fund has changed from an incorporated contractual co-ownership scheme (*fonds commun de placement*) into an investment company with variable share capital (*société d'investissement à capital variable*), organised as a *société anonyme*

(“S.A.”) subject to the 2007 Law and immediately thereafter, that Company has been converted into a investment company organised as a S.A. governed by part I of the 2010 Law.

Thus, the current Company, subject to the 2010 Law is the successor of the contractual co-ownership scheme (*fonds commun de placement*) and the Company shall be considered to be entitled to and bound by all applicable rights and obligations.

The minimum capital of the Company required by Luxembourg law is EUR 1,250,000.-. The share capital of the Company is represented by fully paid Shares of no par value and is at any time equal to its net asset value. Should the capital of the Company fall below two thirds of the minimum capital, an extraordinary general meeting of Shareholders to be held without quorum requirements must be convened to consider the liquidation of the Company. Any decision to liquidate the Company must be taken by a simple majority of the votes cast.

Where the share capital falls below one quarter of the minimum capital, the Board must convene an extraordinary general meeting of Shareholders to be held without quorum requirements to decide upon the liquidation of the Company. At that Meeting, the decision to liquidate the Company may be taken by Shareholders holding together one quarter of the votes cast.

The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into:

- Investment Management or Investment Advisory Agreement;
- Custodian Agreement;
- Service Agreement; and
- Paying Agent Agreement and Registrar- and Transfer Agent Agreement.

The material contracts listed above may be amended from time to time by agreement between the parties thereto.

Documents of the Company

Copies of the Articles, Prospectus and financial reports may be obtained free of charge and upon request from the registered office of the Company. The material contracts referred to above are available for inspection during normal business hours at the registered office of the Company. The KIID may be delivered in a durable medium or by means of a website. Upon request, a hard copy will be supplied to the Investors concerned, free of charge.

3.3 DIVIDENDS

Dividend Policy

The distribution policy of each Sub-Fund is laid down in Appendix III. In addition, the Board may declare interim dividends in respect of Distribution Shares.

With respect to Accumulation Shares, the investment income attributable to the relevant Shares will not be paid to the Investors but will be retained in the Share Class, thus increasing the Net Asset Value per Share.

3.4 TAXATION

The following summary is based on the law and administrative practice in force in the Grand Duchy of Luxembourg as at the date of the Prospectus and may be subject to any future modification thereof.

The Company is not subject to any taxes in Luxembourg on income or capital gains. The only taxes to which the Company in Luxembourg is subject is the fixed subscription duty of EUR 75.- that was paid upon incorporation of the Company which is due if the Articles are modified or the registered office or central management of the Company is transferred and the "*taxe d'abonnement*" at a rate of 0,05% *per annum* based on the Net Asset Value of each Sub-Fund at the end of the relevant quarter, calculated and paid quarterly. In respect of any Share Class which comprises only Institutional Investors (within the meaning of article 174 of the 2010 Law), the tax levied will be at the rate of 0,01% *per annum*.

In case the Company invests in other Luxembourg investment funds, which in turn are subject to the *taxe d'abonnement*, the aforementioned tax is not due from the Sub-Fund on the portion of assets invested therein. Other taxes on the Company, for example on income, capital gains or distributions, are not levied in Luxembourg. However, income, capital gains or distributions of the Company may be subject to non-refundable withholding taxes or other taxes in countries in which the Company's assets are invested. Neither the Management Company nor the Custodian Bank will obtain receipts for such withholding taxes for individual or all Shareholders.

Income, capital gains or distributions of the Company are not subject to any capital gains, income or withholding tax in Luxembourg if received by non-Luxembourg residents (i.e. exceptions may apply to Shareholders who are domiciled, resident or have a permanent establishment in Luxembourg). Prospective Investors should consult their tax advisers regarding

tax laws and regulations of any other jurisdiction which may be applicable to them. The tax and others items described in this Prospectus should not be considered as tax advice to prospective Investors.

The EU Savings Directive came into force on 1 July 2005. Under the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State or to residual entities within the meaning of the EU Savings Directive.

For a transitional period, Austria, Belgium and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner does not comply with one of two procedures for information reporting, the Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system will apply for a transitional period during which the rate of withholding will be of 35% as from 1 July 2011. The transitional period commenced on 1 July 2005 and terminates at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

According to the EU Savings Directive, there may be withholding tax implications in case "interest", within the meaning of the EU Savings Directive, is paid by the paying agent to an individual resident in another Member State or to residual entities within the meaning of the EU Savings Directive. The term "interest" within the meaning of the EU Savings Directive has a broad meaning, and also includes distributions and capital gains, out of investment funds under certain conditions.

Redemptions of the Shares are, however, out of the scope of the EU Savings Directive if each Sub-Fund's direct or indirect investment in debt claims within the meaning of the EU Savings Directive does not exceed 25%. Distributions made by the Sub-Funds are also out of the scope of the EU Savings Directive if each Sub-Fund's direct or indirect investment in debt claims within the meaning of the EU Savings Directive does not exceed 15%.

Prospective Investors should inform themselves of, and where appropriate take advice on, the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription, purchase, holding and redemption of Shares in the country of their citizenship, residence or domicile, and also of the impact of the EU Savings Directive on their investment.

Investors should therefore remain informed about and obtain professional advice on current legislation and regulations applying to the purchase, ownership or redemption of Shares in the Company.

Details on the interest withholding tax levied on distributed and accumulated income of the Company are contained in the Annual Report and in the announcements on the Company's taxation basis.

3.5 MEETINGS AND REPORTS

Meetings

The annual general meeting of Shareholders shall be held on the 4th Wednesday of May of each year at either the registered office of the Company or any address specified in the convening notice of the meeting. If such a day is not a Business Day, the annual general meeting shall be held on the next following Business Day.

The convening notices to general meetings of Shareholders may provide that the quorum and the majority at the respective general meeting shall be determined according to the Shares issued and outstanding at midnight (CET) on the fifth day prior to the general meeting. The rights of a Shareholder to attend a meeting and to exercise the voting rights attaching to his/her/its Shares are determined in accordance with the Shares held by this Shareholder at the Record Date. The Company is not required to send the annual accounts and the report of the Auditor, the management report to the Shareholders at the same time as the convening notice to the annual general meeting. The convening notice shall indicate the place and the practical arrangements for providing these documents to the Shareholders and shall specify that each Shareholder may request that they are sent to him/her/it. Notices of all general meetings are sent by registered mail to all registered Shareholders at their registered address at least eight (8) calendar days prior to such meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at such meeting. Notices of all general meetings will be published in the Mémorial, in Luxembourg newspaper(s) and in other newspapers as the Board may decide, for Shareholder who hold bearer Shares, if any, to the extent required by Luxembourg law. The legal requirements as to notice, quorum and voting at all general, Sub-Fund or Share Class meetings are provided for in the Articles. Meetings of Shareholders of any given Sub-Fund or Share Class shall decide upon matters relating exclusively to that Sub-Fund or Share Class.

Financial year and reports to the Shareholders

The financial year of the Company ends on the 31st day of December in each calendar year.

The combined accounts of the Company shall be kept in NOK.

The audited annual report of the Company shall be published before or on the 30st day in April of the following calendar year. This annual report encloses the report of the Board, a statement of the net assets of the Sub-Funds and statistical information, a statement of operations and of changes in net assets of the Sub-Funds, notes to the financial statements and the Auditors' report.

The unaudited half-yearly report of the Company shall be published before or on the 30st day in September of each calendar year.

Copies of the annual and/or semi-annual reports may be obtained free of charge at the registered office of the Management Company.

3.6 SHAREHOLDER RIGHTS, MERGER, REORGANISATION OF A SUB-FUND, DISSOLUTION AND LIQUIDATION

Shareholder rights

(A) The Shares are freely transferable and entitled to participate equally in the profits, and, in case of Distribution Shares, dividends of the Share Class to which they relate, and in the net assets of such Share Class upon liquidation. The Shares carry no preferential and pre-emptive rights.

(B) Voting:

At general meetings, each participant has the right to one (1) vote for each whole Share he/she/it holds.

In the case of a joint holding, only the first named person may vote.

(C) Compulsory redemption:

The Board may impose or relax restrictions on any Shares and, if necessary, require the compulsory redemption of Shares to ensure that they are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other

pecuniary consequences for the Company including a requirement to register under the laws and regulations of any country or authority. The Board may in this context require each Shareholder to provide it with such information as it may consider necessary to establish whether the Shareholder is the beneficial owner of the Shares which they hold.

If, at any time, it shall come to the attention of the Board that Shares are beneficially owned by any person prohibited from holding Shares pursuant to the Section headed "US Investors" above, the Company will have the right to compulsorily redeem such Shares.

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

Merger and reorganisation of a Sub-Fund

In the event that for any reason the value of the net assets in any Sub-Fund or Share Class has decreased to an amount determined by the Board to be the minimum level for such Sub-Fund or Share Class to be operated in an economically efficient manner, or if a change in the economical or political situation relating to any Sub-Fund or Share Class would have material adverse consequences on the investments of that Sub-Fund or Share Class or in order to proceed to an economic rationalization, or if the agreement with the investment manager and/or Investment Advisor has been terminated and such investment manager and/or Investment Advisor has not been replaced by a replacement investment manager or investment advisor (as the case may be), the Board may decide to compulsorily redeem all the Shares of the relevant Shares Class(es) at the Net Asset Value per Share (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 in such newspaper(s) as determined by the Board prior to the effective date and the publication will indicate the reasons for, and the procedures of, the compulsory redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the Shareholders, the Shareholders concerned may continue to request redemption or switching of their Shares without redemption or switching charges (but taking into

account actual realization prices of investments and realization expenses) prior to the effective date.

Notwithstanding the powers conferred to the Board by the preceding paragraph, the Shareholders of any one or all Share Class(es) may, at a general meeting of Shareholder upon proposal of the Board resolve to redeem all the Shares of the relevant Share Class(es) and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realization prices of investments and realization expenses) as of the Valuation Day on which such decision shall take effect. There shall be no quorum requirement for such general meeting of Shareholders which shall decide by a resolution taken by simple majority of the votes validly cast.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Custodian for a period of nine (9) months; after this period, these assets will be deposited with the *Caisse de Consignations* on behalf of the persons entitled thereto and the corresponding rights shall lapse in accordance with applicable law (in principle, 30 years).

Under the same circumstances as provided in the first paragraph of this sub-Section, the Board may decide to merge any Sub-Fund with another existing Sub-Fund or with another Luxembourg or foreign UCITS or any sub-fund thereof. Such decision will be published in the same manner as described above (and, in addition, the publication will contain information in relation to the other Sub-Fund or Luxembourg or foreign UCITS, or sub-fund thereof, as applicable), no less than one (1) month before the date on which the merger becomes effective in order to enable Shareholders to request redemption or switching of their Shares, without redemption or switching charges, during such period. At the expiry of this period, the relevant decision shall bind all the Shareholders who have not exercised such right.

Notwithstanding the powers conferred to the Board by the preceding paragraphs, a merger of any Share Class with another Share Class or a Luxembourg or foreign UCITS, or any sub-fund thereof, may be decided by a general meeting of the Shareholders concerned for which there shall be no quorum requirement and which will decide by a simple majority of votes validly cast.

In the event that the Board determines that it is required in the interests of the Shareholders of the relevant Sub-Fund or that a change in the economic or political situation relating to the Sub-Fund concerned has occurred which would justify the reorganisation of one 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 Shareholders), such

resolution may be resolved upon by the Board. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more 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 the Shareholders to request, during that period of time, the redemption of same or all of their Share(s) without redemption charges.

All redeemed Shares shall be cancelled.

Dissolution

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

Whenever the share capital falls below two thirds of the minimum capital indicated in Article 5, the question of the dissolution of the Company shall be referred to the general meeting of Shareholders by the Board. The general meeting of Shareholders, for which no quorum shall be required, shall decide by simple majority of the votes validly cast.

The question of the dissolution of the Company shall further be referred to a general meeting of Shareholders whenever the share capital falls below one fourth of the minimum capital set by Article 5; in such an event, the general meeting of Shareholders shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one fourth of the Shares represented and validly cast.

The meetings must be convened so that they are held within a period of forty (40) calendar days from the determination that the net assets of the Company have fallen below two thirds or one fourth of the legal minimum, as the case may be.

Liquidation of the Company and of the Sub-Funds

The Company has been established for an unlimited period of time. However, the Company and/or one or more of its Sub-Fund(s) may be liquidated at any time by a resolution adopted by an extraordinary general meeting of Shareholders in accordance with Luxembourg law. At such meeting one or several liquidator(s) will be appointed and their powers defined. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net liquidation proceeds corresponding to each Sub-Fund shall be distributed by the liquidators to the Shareholders in the relevant Sub-Fund in proportion to the value of their holding of Shares.

The decision to liquidate a Sub-Fund may also be taken at a meeting of Shareholders of the particular Sub-Fund concerned. The liquidation of one Sub-Fund does not entail the automatic liquidation of the other Sub-Fund(s).

The liquidation of the Company and/or any of its Sub-Fund(s) shall be completed within the time period required by the applicable Luxembourg Law. Any liquidation proceeds of a Fund or of the Company shall be deposited in escrow at the *Caisse de Consignation* at the close of the liquidation. Amounts not claimed from escrow within the period fixed by law shall be forfeited in accordance with the provisions of Luxembourg law.

APPENDIX I – INVESTMENT RESTRICTIONS

The Board has adopted the following restrictions relating to the investment of the Company's assets and activities. These restrictions and policies may be amended from time to time by the Board if and when it shall deem it to be in the best interests of the Company in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Sub-Fund. The restrictions in Section 1(D) below are applicable to the Company as a whole.

1. INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID ASSETS

(A) The Company will invest in:

- (i) transferable securities and money market instruments admitted to an official listing on a stock exchange in an Eligible State; and/or
- (ii) transferable securities and money market instruments dealt in on another Regulated Market; and/or
- (iii) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is achieved within one year of the issue; and/or
- (iv) units or shares of UCITS and/or of other UCI whether situated in an EU member state or not, provided that:
 - such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Law, and that cooperation between authorities is sufficiently ensured,
 - the level of protection for shareholders in such other UCIs is equivalent to that provided for shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,

- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and/or
 - no more than 10% of the assets of the UCITS or of the other UCIs whose acquisition is contemplated can, according to their management regulations or instruments of incorporation, be invested in aggregate in shares or units of other UCITS or other UCIs;
- (v) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU member state or, if the registered office of the credit institution is situated in a non-EU member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law; and/or
- (vi) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
- the underlying consists of securities covered by this section 1(A), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
 - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative; and/or
- (vii) money market instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the EU or the European Investment Bank, a non-EU member state or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU member states belong, or
- issued by an undertaking any securities of which are dealt in on Regulated Markets, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in EU law, or
- issued by other bodies belonging to categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

In addition, the Company may invest a maximum of 10% of the Net Asset Value of any Sub-Fund in transferable securities and money market instruments other than those referred to under (i) to (vii) above.

- (B) Each Sub-Fund may hold ancillary liquid assets. Liquid assets used to back-up financial derivative exposure are not considered as ancillary liquid assets.
- (C) (i) Each Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivative instruments, both the issuer of the structured financial instruments and the issuer of the underlying securities). Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction may not exceed 10%

of its net assets when the counterparty is a credit institution referred to in paragraph 1(A)(v) above or 5% of its net assets in other cases.

- (ii) Furthermore, where any Sub-Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Sub-Fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Sub-Fund.

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C)(i), a Sub-Fund may not combine:

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

in excess of 20% of its net assets.

- (iii) The limit of 10% laid down in paragraph (C)(i) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members.
- (iv) The limit of 10% laid down in paragraph (C)(i) above shall be 25% in respect of debt securities which are issued by highly rated credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during

the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

If a Sub-Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Sub-Fund.

- (v) The transferable securities and money market instruments referred to in paragraphs (C)(iii) and (C)(iv) are not included in the calculation of the limit of 40% referred to in paragraph (C)(ii).

The limits set out in paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or financial derivative instruments made with this body, effected in accordance with paragraphs (C)(i), (C)(ii), (C)(iii) and (C)(iv) may not, in any event, exceed a total of 35% of each Sub-Fund's Net Asset Value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

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

- (vi) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or debt instruments issued by the same body when the aim of a Sub-Fund's investment policy is to replicate the composition of a certain stock or debt instrument index which is recognised by the Luxembourg supervisory authority, provided:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

- (vii) Where any Sub-Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an EU member state, by its local authorities or by an OECD member state or other state as approved by the regulator, or by public international bodies of which one or more EU member states are members, the Company may invest 100% of the Net Asset Value of any Sub-Fund in such securities provided that such Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Sub-Fund.**

Subject to having due regard to the principle of risk spreading, a Sub-Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its launch.

- (D) (i) The Company may not normally acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.
- (ii) The Company may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body and/or (c) 10% of the money market instruments of the same issuing body. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of securities in issue cannot be calculated.

The limits set out in paragraph (D)(i) and (ii) above shall not apply to:

- (i) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by any other Eligible State;

- (iii) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members; or
 - (iv) Shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Sub-Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in articles 43, 46 and 48 (1) and (2) of the 2010 Law. This derogation, however, shall only apply if the company from the non-EU member State complies with the limits laid down in Articles 43, 46 and 48, paragraphs (1) and (2) of the 2010 Law. Where the limits set in articles 43 and 46 are exceeded of the 2010 Law, article 49 thereof shall apply *mutatis mutandis*.
- (E) If a Sub-Fund is limited to investing only 10% of its net assets in units or shares of UCITS or other UCIs this will be specifically provided for in Appendix III. The following applies generally to investment in units or shares of UCITS or of the UCIs:
- a) The Company may acquire units or shares of the UCITS and/or other UCIs referred to in paragraph 1. (A) (iv), provided that no more than 20% of a Sub-Fund's net assets be invested in units or shares of a single UCITS or other UCI.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments *vis-à-vis* third parties is ensured.
 - b) Investments made in units or shares of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of a Sub-Fund.
 - c) The above investment restrictions do not apply for those Sub-Fund(s) which are Feeder Sub-Fund(s) of UCITS qualifying as a Master Fund.

In addition, the following limits shall apply:

- (i) When a Sub-Fund invests in the units or shares of other UCITS and/or other UCIs linked to the Company by common management or control, or by a direct or

indirect holding of more than 10% of the capital or the voting rights, or managed by a Company linked to the Management Company, no subscription or redemption fees may be charged to the Company on account of its investment in the units or shares of such other UCITS and/or UCIs.

In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the Company as described in the preceding paragraph, there shall be no Management Fee charged to that portion of the assets of the relevant Sub-Fund. The Company will indicate in its annual report the total Management Fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- (ii) The Company may acquire no more than 25% of the units or shares of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units or shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units or shares issued by the UCITS/UCI concerned, all sub-funds combined.
 - (iii) The underlying investments held by the UCITS or other UCIs in which the Sub-Funds invest do not have to be considered for the purpose of the investment restrictions set forth under paragraph 1(C) above.
- (F) In addition, a Sub-Fund may subscribe, acquire and/or hold Share(s) of one more Sub-Fund(s) without it being subject to the requirement of the 1915 Law with respect to the subscription, acquisition and/or holding by a Company of its own shares provided that:
- the other Sub-Fund does not, in turn, invest in the Sub-Fund invested in such other Sub-Fund; and
 - no more than 10% of the net assets of the other Sub-Fund the acquisition of which is contemplated may be invested in aggregate in shares of other UCIs; and
 - voting rights, if any, attaching to the relevant Share(s) of the other Sub-Fund(s) are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

- in any event, for as long as the Share(s) of the other Sub-Fund(s) are held by the Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Sub-Fund for the purposes of verifying the minimum threshold of the net assets of the Sub-Fund as imposed by the 2010 Law; and
- there is no duplication of management subscription or repurchase fees between those at the level of the Sub-Fund having invested in the other Sub-Fund and such other Sub-Fund.

2. INVESTMENT IN OTHER ASSETS

- (A) The Company will neither make direct investments in precious metals, commodities or certificates representing these. In addition, the Company will not enter into financial derivative instruments on precious metals or commodities. This does not prevent the Company from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or commodities or financial instruments whose performance is linked to precious metals or commodities.
- (B) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (C) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in Sections 1(A)(iv), (vi) and (vii).
- (D) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (E) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10 % of the Net Asset Value of each Sub-Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not

be considered a mortgage, pledge or hypothecation for this purpose.

- (F) The Company will not underwrite or sub-underwrite securities of other issuers.
- (G) The Company will on a Fund by Fund basis comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

3. FINANCIAL DERIVATIVE INSTRUMENTS

As specified in Section 1(A)(vi) above, the Company may in respect of each Sub-Fund invest in financial derivative instruments.

The Company shall ensure that the global exposure of each Sub-Fund relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund.

The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

Each Sub-Fund may invest, as a part of its investment policy and within the limits laid down in Section 1(A)(vi) and Section 1(C)(v), in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Sections 1(C)(i) to (vii). When a Sub-Fund invests in index-based financial derivative instruments compliant with the provisions of Sections 1(C)(vi), these investments do not have to be combined with the limits laid down in Section 1(C). When a transferable security or money market instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of these instrument restrictions. The Sub-Funds may use financial derivative instruments for investment purposes and for hedging purposes, within the limits of the 2010 Law. Under no circumstances shall the use of these instruments and techniques cause a Sub-Fund to diverge from its investment policy or objective. The risks against which the Sub-Funds could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

4. USE OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS

The Company may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down in the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, in particular the CSSF Circular 13/559, employ techniques and instruments relating to transferable securities and money market instruments provided that such techniques and instruments are used for efficient portfolio management purposes or to provide protection against exchange risk. Such techniques and instruments may include, but are not limited to, engaging in transactions in financial derivative instruments such as futures, forwards, options, swaps and swaptions and financial futures transactions as well as, among others, securities lending and security repurchasing transactions (opérations à réméré, opérations de prise/mise en pension), repurchase agreements and reverse repurchase agreements. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments in accordance with the Regulations.

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.

To the maximum extent allowed by, and within the limits set forth in, the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, in particular the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 and of (ii) CSSF Circulars 11/512, 08/356 and 13/559 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments (as these pieces of regulations may be amended or replaced from time to time), each Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks (A) enter, either as purchaser or seller, into optional as well as non-optional repurchase transactions and (B) engage in securities lending transactions.

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 Nr. 1 (A) (v) of Appendix I – Investment Restrictions, 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 Nr. 1 (A) (v) of Appendix I – Investment Restrictions, 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 Nr. 1 (C) of Appendix I – Investment Restrictions 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 Nr. 1 (C) (i) of Appendix I – Investment Restrictions. 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.

5. RISK MANAGEMENT PROCESS

The Management Company uses a risk management process for the Fund in accordance with the Law of 2010 and other applicable regulations, in particular Circulars 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.

Upon request of or on behalf of an Investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments. This supplementary information includes the VaR

levels set for the Sub-Funds using such risk measure.

The risk management framework is available upon request at the Management Company's registered office.

The Management Company will use the relative VaR method for determining the global exposure risk of the Company. It expects a leverage of up to 200% of the Net Asset Value of the respective Sub-Fund. This percentage does not represent an additional investment restriction and may vary from time to time. A greater leverage ratio may be reached under various circumstances. The reference portfolio is determined for each Sub-Fund separately. Please refer to Appendix III - Sub-Fund details.

6. MISCELLANEOUS

- (A) The Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraphs 1(A)(i), (ii) and (iii) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Company shall not be prevented from acquiring such securities above which are not fully paid.
- (B) The Company need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.
- (C) The Management Company, the Investment Advisor, the Distributor(s), the Custodian and any authorised agents or their associates may have dealings in the assets of the Company provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:
 - i) a certified valuation of such transaction is provided by a person approved by the Board as independent and competent;
 - ii) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; orwhere neither i) or ii) is practical;

- iii) where the Board is satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

APPENDIX II – RISKS OF INVESTMENT

General

The following statements are intended to inform Investors of the uncertainties and risks associated with investments and transactions in transferable securities, money market instruments, structured financial instruments and other financial derivative instruments.

Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment. The value of investments and the income generated by them, if any, may go down as well as up and Shareholders may not get back the amount initially invested.

Where the Reference Currency varies from the Investor's home currency, or where the Reference Currency varies from the currencies of the markets in which the Sub-Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

Investment Objective Risk

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macroeconomic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for a Sub-Fund.

Regulatory Risk

The Company is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally, Sub-Funds may be registered in non-EU jurisdictions. As a result of such registrations these Sub-Funds may be subject to more restrictive regulatory regimes. In such cases these Sub-Funds will abide by these more restrictive requirements. This may prevent these Sub-Funds from making the fullest possible use of the investment limits.

Risk of Suspension of Share dealings

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be suspended (see Section 2.4, "*Suspensions or Deferrals*").

Class Hedging Risk

The Company may engage in currency hedging transactions with regards to certain Share Class(es). Hedged Share Classes are designed (if and when disclosed in relation to a particular Class) (i) to reduce exchange rate fluctuations between the Dealing Currency of the Hedged Share Class and the Reference Currency of the Sub-Fund or (ii) to reduce exchange rate fluctuations between the Dealing Currency of the Hedged Share Class and other material currencies within the Sub-Fund's portfolio.

The hedging will be undertaken to reduce exchange rate fluctuations in case the Reference Currency of the Sub-Fund or other material currencies within the Sub-Fund (such as the Dealing Currency/ies is/are declining or increasing in value relative to the hedged currency. The hedging strategy employed will seek to reduce as far as possible the exposure of the Hedged Share Classes and no assurance can be given that the hedging objective will be achieved. In the case of a net flow to or from a Hedged Share Class the hedging may not be adjusted and reflected in the net asset value of the Hedged Share Class until the following or a subsequent Business Day following the Valuation Day on which the instruction was accepted.

Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant Hedged Share Class from benefiting from any potential increase in value of the Share Class expressed in the Dealing Currency/ies, if the Hedged Share Class currency falls against the Dealing Currency/ies. Additionally, Shareholders of the Hedged Share Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class.

Any financial instruments used to implement such hedging strategies with respect to one or more Class(es) of a Sub-Fund shall be assets and/or liabilities of such Sub-Fund as a whole, but will be attributable to the relevant Share Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Share Class. However, due to the lack of segregated liabilities between Share Classes of the same Sub-Fund, costs which are principally attributed to a specific Share Class may be ultimately charged to the Sub-Fund as a whole.

Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Share Class may not be allocated to other Share Classes. No intentional leveraging should result from currency hedging transactions of a Share Class although hedging may exceed 100% for short periods between redemption instructions and execution of the hedge trade.

Interest Rate Risk

The values of debt instrument and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, a Sub-Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Sub-Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one recognised statistical rating organisation the Management Company may consider the highest rating for the purposes of determining whether the security is to be considered as investment grade. A Sub-Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Management Company will consider whether the security continues to be an appropriate investment for the Sub-Fund. Some of the Sub-Funds will invest in securities which will not be rated by a recognised statistical rating organisation, the credit quality will then be determined by the Management Company.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell. A Sub-Fund's investment in illiquid securities may reduce the returns of the Sub-Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

Financial Derivative Instrument Risk

For Sub-Funds that use financial derivative instruments to meet their specific investment objectives, there is no guarantee that the performance of the financial derivative instruments will result in a positive effect for the respective Sub-Fund and its Shareholders.

Warrants Risk

Warrants are considered as financial derivative instruments. When the Company invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities because of the greater volatility of warrant prices.

Credit Default Swaps Risk

A credit default swap allows the transfer of default risk. This allows a Sub-Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Sub-Fund does not hold the underlying reference obligation, there may be a market risk as the Sub-Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the Sub-Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the debt instrument markets. The Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

Futures, Options and Forward Transactions Risk

The Sub-Funds may use options, futures and forward contracts on currencies securities, indices, volatility, inflation and interest rates for hedging and investment purposes.

Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Sub-Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Sub-Fund is fixed, the Sub-Fund may sustain a loss well in excess of that amount. The Sub-Fund will also be exposed to the risk of the purchaser exercising the option and the Sub-Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Sub-Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Forward transactions, in particular those traded over-the-counter, have an increased counterparty risk. If a counterparty defaults, the Sub-Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

Credit Linked Note Risk

There are particular risks associated with investments in credit linked notes. Firstly, a credit linked note is a debt instrument which assumes both credit risk of the relevant reference entity (or entities) and the issuer of the credit linked note. There is also a risk associated with the coupon payment: if a reference entity in a basket of credit linked notes suffers a credit event, the coupon will be re-set and is paid on the reduced nominal amount. Both the residual capital and coupon are exposed to further credit events. In extreme cases, the entire capital may be lost. There is also the risk that a note issuer may default.

Equity Linked Note Risk

The return component of an equity linked note is based on the performance of a single security, a basket of securities or an equity index. Investment in these instruments may cause a capital loss if the value of the underlying security decreases. In extreme cases the entire capital may be lost.

These risks are also found in investing in equity investments directly. The return payable for the note is determined at a specified time on a valuation date, irrespective of the fluctuations in the underlying stock price. There is no guarantee that a return or yield on an investment will be made. There is also the risk that a note issuer may default.

A Sub-Fund may use equity linked notes to gain access to certain markets, for example emerging and less developed markets, where direct investment is not possible. This approach may result in the following additional risks being incurred – lack of a secondary market in such instruments, illiquidity of the underlying securities, and difficulty selling these instruments at times when the underlying markets are closed.

OTC Derivative Transactions Risk

Securities traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than securities principally traded on securities exchanges. Such securities may be less liquid than more widely traded securities. In addition, the prices of such securities may include an undisclosed dealer mark-up which a Sub-Fund may pay as part of the purchase price.

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

The Company conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Company will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

A Sub-Fund may invest into instruments such as notes, debt instruments or warrants the performance of which is linked to a market or investment to which the Sub-Fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Sub-Fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

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.

The Sub-Funds will only enter into OTC derivatives transactions with first class institutions which are subject to prudential supervision and specialising in these types of transactions. In

principle, the counterparty risk for such derivative transactions entered into with first class institutions should not exceed 10% of the relevant Sub-Fund's net assets when the counterparty is a credit institution or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limitations.

Custody Risk

Investors may enjoy a degree of protection when investing money with custodians in their home territory. This level of protection may be higher than that enjoyed by the Company.

The Company's securities are held for the benefit of the Shareholders generally off the Custodian's or its sub-custodian's balance sheet(s) and are generally not co-mingled with the Custodian's or its sub-custodian's assets. This provides protection for the Company's securities in the event of the insolvency of either the Custodian or its sub-custodian(s).

However, the Company may be required to place assets outside of the Custodian's safekeeping network in order for the Company to trade in certain markets. In such circumstances the Custodian remains in charge of monitoring where and how such assets are held. However, in the event of a loss neither the Custodian, having fulfilled its monitoring function, and/or the sub-custodian(s) concerned shall be liable and the Sub-Fund's ability to receive back its cash and securities may be restricted and the Company may suffer a loss as a result.

In such markets, Shareholders should note that there may be delays in settlement and/or uncertainty in relation to the ownership of a Company's investments which could affect the Company's liquidity and/or which could lead to investment losses.

In addition, a Sub-Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Sub-Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risks in circumstances where the Custodian will have no liability.

A Sub-Fund's cash account will usually be maintained on the Custodian's records, but the balances may be held by a sub-custodian and therefore exposed to the risk of default of both the Custodian and the sub-custodian.

Small Capitalisation Companies Risk

A Sub-Fund which invests in smaller companies may fluctuate in value more than other Sub-Funds. Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger

companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller companies may be more vulnerable to adverse developments than those in larger companies and the Sub-Fund may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

Debt Securities Risk – Lower Rated, Higher Yielding Instruments

A Sub-Fund may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate Investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in such Sub-Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

Defaulted Debt Securities Risk

The Sub-Fund may invest in debt securities on which the issuer is not currently making interest payments (defaulted debt securities). The Sub-Fund may buy defaulted debt securities if, in the opinion of the Management Company, it appears likely that the issuer may resume interest payments or other advantageous developments appear likely in the near future. These securities may become illiquid.

The risk of loss due to default may also be considerably greater with lower- quality securities because they are generally unsecured and are often subordinated to other creditors of the issuer. If the issuer of a security in the portfolio defaults, the Sub-Fund may have unrealised losses on the security, which may lower the Net Asset Value per Share. Defaulted securities tend to lose much of their value before they default. Thus, the Net Asset Value per Share may be adversely affected before an issuer defaults. In addition, the Sub-Fund may incur additional expenses if it must try to recover principal or interest payments on a defaulted security.

Included among the issuers of debt securities or obligations in which the Company may invest are entities organised and operated solely for the purpose of restructuring the investment characteristics of various securities or obligations. These entities may be organised by investment banking firms, which receive fees in connection with establishing each entity and arranging for the placement of its securities.

Country Risk – Emerging and Less Developed Markets

In emerging and less developed markets, in which some of the Sub-Funds will invest, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks for Investors who should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio. Investments in emerging and less developed markets should be made only by sophisticated Investors or professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

Countries with emerging and less developed markets include, but are not limited to (1) countries that have an emerging stock market in a developing economy as defined by the International Finance Corporation, (2) countries that have low or middle income economies according to the World Bank, and (3) countries listed in World Bank publication as developing. The list of emerging and less developed markets countries is subject to continuous change; broadly they include any country other than Austria, Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

Mortgage Backed Securities and Asset Backed Securities Risk

Some Sub-Funds may invest in mortgage backed securities and asset backed securities. Mortgage backed securities differ from conventional debt securities because principal is paid back over the life of the security rather than at maturity. The Sub-Fund may receive unscheduled prepayments of principal before the security's maturity date due to voluntary prepayments, refinancing or foreclosure on the underlying mortgage loans. To the Sub-Fund this means a loss of anticipated interest, and a portion of its principal investment represented by any premium the Sub-Fund may have paid. Mortgage prepayments generally increase when interest rates fall.

Mortgage backed securities also are subject to extension risk. An unexpected rise in interest rates could reduce the rate of prepayments on mortgage backed securities and extend their life. This could cause the price of the mortgage backed securities to be more sensitive to interest rate changes. Issuers of asset backed securities may have limited ability to enforce the security interest in the underlying assets, and credit enhancements provided to support the securities, if any, may be inadequate to protect Investors in the event of default. Like mortgage backed securities, asset backed securities are subject to prepayment and extension risks.

Non-Regulated Markets Risk

Some Sub-Funds may invest in securities of issuers in countries whose markets do not qualify as regulated markets due to their economic, legal or regulatory structure, and therefore these Sub-Funds may not invest more than 10% of their net assets in such securities.

Pre-Payment Risk

Certain fixed income securities give an issuer the right to call its securities, before their maturity date. The possibility of such "pre-payment risk" may force the Sub-Fund to reinvest the proceeds of such investments in securities offering lower yields, thereby reducing the Sub-Fund's interest income.

Political and Economic Risks

- Economic and/or political instability could lead to legal, fiscal and regulatory changes or the reversal of legal / fiscal / regulatory / market reforms. Assets could be compulsorily re-acquired without adequate compensation.
- A country's external debt position could lead to sudden imposition of taxes or exchange controls.
- High interest can mean that businesses have difficulty in obtaining working capital.
- Local management may be inexperienced in operating companies in free market conditions.
- A country may be heavily dependent on its commodity and natural resource exports and is therefore vulnerable to weaknesses in world prices for these products.
- Inflation/Deflation Risk – Inflation is the risk that a Sub-Fund's assets or income from a

Sub-Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Sub-Fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Sub-Fund's portfolio.

Accounting Practices Risk

- The accounting, auditing and financial reporting system may not accord with international standards.
- Even when reports have been brought into line with international standards, they may not always contain correct information.
- Obligations on companies to publish financial information may also be limited.

Market and Settlement Risks

- The securities markets in some countries lack the liquidity, efficiency and regulatory controls of more developed markets.
- Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Sub-Fund may make it difficult to assess reliably the market value of assets.
- The share register may not be properly maintained and the ownership or interest may not be (or remain) fully protected.
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities.
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds.
- Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

- Limitations may exist with respect to the Sub-Funds ability to repatriate investment income, capital or the proceeds from the sale of securities by foreign Investors. The Sub-Funds can be adversely affected by delays in, or refusal to grant, any required governmental approval for such repatriation.

Currency Risk

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed.
- The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected.
- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations.

Taxation Risk

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source. Tax law and practice in certain countries into which the Company invests or may invest in the future (in particular emerging markets) is not clearly established. It is therefore possible that the current interpretation of the law or understanding of practice might change, or that the law might be changed with retrospective effect. As a result the Company could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

Nomineeship Risk

The legislative framework in some markets is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. Consequently the courts in such markets may consider that any nominee or custodian as registered holder of securities would have full ownership thereof and that a beneficial owner may have no rights whatsoever in respect thereof.

Potential Conflicts of Interest

The Directors, the Administrator, the Custodian, and their affiliates may engage in activities, including financial advisory activities, that are independent from and may, from time to time, conflict with those of the Company.

Each Director and service provider will at all times have regard to its obligations to act in the best interests of the Shareholders and they will each endeavour to ensure that any conflicts are resolved fairly. In the future, there might arise instances where the interests of the Management Company and/or Investment Advisor or their affiliates conflict with the interests of the Shareholders. Affiliates and their principals may engage in transactions with, and may provide services to, companies in which the Company invests or could invest. The Management Company, the Investment Advisor and their affiliates may provide services to, invest in, advise, sponsor and/or act as investment manager/investment advisor to investment vehicles and other persons or entities (including prospective Investors) which may have similar structures and investment objectives and policies to those of the Company, may compete with the Company for investment opportunities, and may co-invest with the Company in certain transactions.

Allocation of Trading Opportunities

The Management Company is *inter alia* required to act in a manner that it considers fair, reasonable and equitable in allocating investment opportunities to the Company, but has no specific obligation or requirement concerning the allocation of time, effort or investment opportunities to the Company and it may manage other UCIs, including those with identical or similar investment policies as those of the Company and the Sub-Funds (collectively, "**Other Accounts**"). The Management Company is not obligated to devote any specific amount of time to the affairs of the Company, and it will not be required to accord exclusivity or priority to the Company in the event of limited investment opportunities.

When the Management Company determines that it would be appropriate for both the Company and any Other Account to participate in an investment opportunity, it will seek to execute orders for all of the participating accounts on an equitable basis in accordance with applicable laws and regulations. If the Management Company has determined to trade in the same direction in the same security at the same time for the Company and any Other Account, it will be authorised to combine the Company's order with orders for any Other Accounts and if all such orders are not filled at the same price, the Company's order may be filled at an average price, which normally will be the same price at which contemporaneously entered orders are filled on that day. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, the Management Company will allocate the trades among the

different accounts on a basis that it considers equitable. Situations may occur where the Company could be disadvantaged because of the various other activities conducted by the Management Company or its affiliates. This allocation of opportunities will always be made under the control of the Board and in a manner preserving the interests of the Shareholders.

Specific risks linked to securities lending and repurchase transactions

In relation to repurchase transactions, Investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a Sub-Fund to risks similar to those associated with optional or forward derivative financial instruments, which risks are further described in other sections of this prospectus.

In relation to securities lending transactions, Investors must notably be aware that (A) if the borrower of securities lent by a Sub-Fund fail to return these there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales

APPENDIX III – SUB-FUND DETAILS

The Company is designed to give Investors the flexibility to choose between separate Sub-Funds with differing investment objectives and levels of risk.

All the Sub-Funds offer Share Classes specified hereafter.

In respect of certain Share Classes, the Sub-Fund may hedge the Shares in such Share Classes in relation to the Dealing Currency or in relation to currencies in which the relevant Sub-Fund's underlying assets are denominated (as detailed in relation to each Sub-Fund).

Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of such Share Class. Similarly, any expenses arising from such hedging transactions will be borne by the Share Class in relation to which they have been incurred.

It should be noted that these hedging transactions may be entered into whether the Dealing Currency is declining or increasing in value relative to the relevant Reference Currency and so, where such hedging is undertaken it may substantially protect Investors in the relevant Share Class against a decrease in the value of the Reference Currency of the respective Sub-Fund relative to the Dealing Currency, but it may also preclude Investors from benefiting from an increase in the value of the relevant Reference Currency.

In addition, the Sub-Fund may hedge the Reference Currency against the currencies in which the underlying assets of the Sub-Fund are denominated or the underlying unhedged assets of a target fund are denominated.

There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Dealing Currency.

The specific investment objectives and policies of the different Sub-Funds are as follows:

1. Sub-Fund Name: Storm Fund II – STORM BOND FUND

2. Special Investment Objective & Policy

Storm Fund II – Storm Bond Fund (the "Sub-Fund") is an absolute return oriented Sub-Fund which mainly invests in bonds of all type including but not limited to corporate bonds, convertible bonds and convertible asset backed bonds. In addition to investing in bonds, the Sub-Fund may also invest in equities.

The Sub-Fund seeks to have a strong exposure on the Nordic countries either by investing in bonds traded or dealt on Nordic Markets or by investing in bonds mainly issued by Nordic entities or by entities active or exposed to the Nordic markets.

In particular, the Sub-Fund looks to invest in bonds issued by Nordic entities active in sectors such as, but not limited to, the logistic and transportation, real estate and construction as well as the energy sector.

Moreover, the Sub-Fund will invest in other permitted asset classes according to Appendix I “Investment Restrictions”, either directly or through investments in UCITS and/or UCIs which comply with the provisions set in Section 1. (A) (iv) of Appendix I “Investment Restrictions”, including those advised or managed by the Investment Manager or companies related to the Investment Manager.

There is no guarantee or capital protection that the Sub-Fund will achieve its investment objective and/or policy. Any investment in the Sub-Fund may hence result in a negative or lesser than expected performance.

Investments are subject to the limits laid down in Appendix I “Investment restrictions”.

Investment in financial derivative instruments (including commodity index futures and forward contracts) are subject to the limits laid down in Section 1.2 “Investment objectives and policies”.

The Sub-Fund may not borrow in excess of 10% of its net assets.

Only up to 10 % of Sub-Fund assets may be invested in UCITS or UCI.

The Fund may maintain liquid funds in the form of bank deposits, regularly traded money market instruments and current accounts up to a maximum of 49% of net assets. As a matter of principle, these should be of an accessorial nature. When market conditions so require and as the Investment Manager may deem appropriate up to 100% of the Fund's net assets may be held in the form of bank deposits, regularly traded money market instruments and current accounts. Money market instruments may have a remaining term to maturity of no more than 397 calendar days at the time they are acquired for the Fund. Certificates of deposit issued by any one bank may not make up more than 10% of net assets. Liquid assets may also be denominated in a currency other than the reference currency of the Fund.

The Sub-Fund Currency is the NOK and the Sub-Fund may partly hedge the assets of the Sub-Fund denominated in a currency other than the NOK at the discretion of the Board. Nevertheless, it is not the intention of the Board to hedge all the Sub-Fund's assets.

3. Investment Strategies

- a) The investment strategy consists in a top-down approach where the macro-economical situation is analyzed mainly in relation to the evolution of interest rates before narrowing down to a specific sector and finding bonds within a relevant sector and/or issued by a specific company. In this relation a corporate credit analysis may be undertaken which involves the analysis of the (i) character of the issuer (i.e. its strategic direction, its integrity, commitment to repay the loan), (ii) the covenants, (iii) the collateral (if any) and (iv) the capacity of the issuer's ability to generate cash-flow and/or to liquidate short-terms assets to cover its debt obligation. Furthermore the Sub-Fund seeks to select bonds with low level of credit event and with high recovery ratio. In particular, the Sub-Fund looks for investments in bonds which are priced by the markets with relevant discounts, although the default risks of such bonds may relatively be low due to the fact that the debts are backed by high level of collateral.
- b) The Sub-Fund will adopt a systematic approach combining proprietary quantitative/technical analysis models with fundamental analysis. The selection of bonds will be monitored regularly through a technical analysis. The technical analysis will be supplied by fundamental research. Upon fundamental input from brokers the Sub-Fund will typically use technical analysis as a tool to validate the information.
- c) It is not the intention of the Sub-Fund to be exposed to the evolution of currency markets. Therefore the Sub-Fund looks to hedge against currency fluctuations. It may enter into transactions the purpose of which is the purchase or the sale of forward foreign exchange contracts, the purchase or the sale of call options or put

options in respect of currencies, the purchase or the sale of currencies forward or the exchange of currencies on a mutual agreement basis provided that these transactions be made either on exchanges or over-the-counter with first class financial institutions specializing in these types of transactions and being participants of the over-the-counter markets. The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency (including a currency bearing a substantial relation to the value of the Reference Currency of the Sub-Fund) may not exceed the total valuation of the assets and liabilities held in such currency nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

4. Profile of typical Investor

A typical investor should take into consideration that the Sub-Fund portfolio has a medium to high volatility.

Investment in the Sub-Fund might entail an above-average risk and is only appropriate for persons who can accept the possibility of capital losses.

The Sub-Fund is designed for investment only by those Investors, who understand the degree of risks involved and believe that the investment is suitable, based upon their investment objectives and financial needs.

The time horizon for a typical Investor is between 4 to 8 years.

5. Special risk considerations

Investors should refer both to the Section “Profile of the typical Investor” and to Appendix II “Risks of Investment” for a general outline of the risk considerations in relation to the Company and the Sub-Fund.

No guarantee can be given that the objectives of the investment policy of the Sub-Fund will be achieved. Investors assume the risks of (i) receiving a lesser amount than they originally invested and (ii) losing their entire investment, and understand that there is no recourse other than to the assets of the relevant Sub-Fund.

In addition to the considerations related to above, Investors should be aware that:

As the Sub-Fund may invest a substantial part of its assets in various type of fixed income securities, the Sub-Fund is exposed to credit risk including default risk, interest rate risk and credit spread risk.

Furthermore in relation to investments in corporate bonds, the Sub-Fund is exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems. In particular, the Sub-Fund is exposed to the capacity of the issuer's ability to generate cash flow to repay its debt obligations. Relevant part of the fixed income securities the Sub-Fund will invest in may be issued without any guarantee, letter of credit, debt insurance or collateral including junior debt.

Specific attention should be kept on the fact that specific corporate bonds may have a low level of liquidity due to the fact that the market turnover on such corporate bonds is low. Due to the wide bid-ask spreads and in case of low liquidity, the relevant security may only be sold at a specific moment with a high discount which can have a negative impact on the performance of the Sub-Fund.

6. Risk Management:

To determine the global risk exposure the Management Company is using the relative VaR Method.

The following risk benchmark is applied to compare the VaR of the Fund and the risk benchmark:

- 60% MLEHY6L (ML Euro High Yield BB)
- 30% MLEHY0L (ML HY EURO C-Rated)
- 10% OSLOOBX (OSLO SE OBX)

Additional information about the risk benchmark will be provided free of charge by the Management Company upon request.

The Management Company is expecting a leverage between 0% to 200% of the NAV. The leverage is not an additional investment limit and can change from time to time.

A higher leverage can be reached under various circumstances for example higher market volatility.

7. Shares Classes, ISIN numbers, applicable fees and minimum investment

All Shares in this Sub-Fund will be issued as registered Shares only.

The following Share Classes are available:

Name of Share Class	ISIN	Initial Issue Price	Initial Issue Date
RC (NOK)	LU0740578702	equal to the last NAV of the EC (NOK) Share Class of the Sub-Fund STORM FUND II – STORM BOND FUND of the FCP STORM BOND FUND II on the effective date of the conversion	
IC (NOK)	LU0840158496	100 NOK	20 December2012
RC (EUR)	LU0840158819	100 EUR	20 December2012
IC (EUR)	LU0840158900	100 EUR	20 December2012
RC (USD)	LU0840159114	100 USD	20 December2012
IC (USD)	LU0840159387	100 USD	20 December2012
RC (SEK)	LU0840159460	100 SEK	20 December2012
IC (SEK)	LU0840159544	100 SEK	20 December2012
RC (GBP)	LU0840159890	100 GBP	20 December2012
IC (GBP)	LU0840159973	100 GBP	20 December2012
NC (EUR)	LU0385397285	equal to the last NAV of the SC (EUR) Share Class of the Sub-Fund STORM FUND II – STORM BOND FUND of the FCP STORM BOND FUND II on the effective date of the conversion	

NC (NOK)	LU0840160120	100 NOK	20 December 2012
RC (CHF)	LU1076700845	100 CHF	8 August 2014
IC (CHF)	LU1076701652	100 CHF	8 August 2014

In order to protect Shareholders of Classes not denominated in NOK from the impact of currency movements, the relevant currencies may, at the discretion of the Investment Manager, be hedged, in full or in part, back to the NOK. The costs and effects of this hedging will be reflected in the Net Asset Value and in the performance of these Classes.

Subscription to RC Share Classes is open to all Investors. Subscription or switching to IC Share Classes is restricted to Institutional Investors, or such other Investors who may be admitted from time to time at the discretion of the Board. Subscriptions to NC Share Classes are restricted to the Investment Manager, employees of the Investment Manager, other entities under management by the Investment Manager, and other investors; all by discretionary approval of the Board of Directors only.

<u>Share Classes</u>	<u>Dealing Currency</u>	<u>Management Fee</u>		<u>Custodian Fee</u>
		<u>Investment Management Fee</u>	<u>Administration Fee</u>	
RC-Shares (Retail Shares)	NOK	up to 0.75 % p.a.	up to 0.16 % p.a.	up to 0.075 %
	USD			
	EUR			
	SEK			
	GBP			
	CHF			
IC-Shares (Institutional Shares)	NOK	up to 0.50 % p.a.	up to 0.16 % p.a.	up to 0.075% p.a.
	USD			

	EUR			
	SEK			
	GBP			
	CHF			
NC-Shares	EUR	none	up to 0.16 % p.a.	up to 0.075% p.a.
	NOK			

The Minimum Initial Subscription Amount in IC Share Classes is 25 million NOK or the equivalent in the currency of the respective Share Class. There will be no Minimum Subsequent Amount.

7. Subscription, Redemption and Switching Fees

Maximum Subscription Fee: up to three 3% of the Net Asset Value in favour of the Distributor(s)

Redemption Fee: none

Switching Fee: none

8. Investment Manager

Storm Capital Management Limited has been appointed as Investment Manager for the Sub-Fund pursuant to an investment management agreement terminable by either party giving not less than 3 (three) months prior notice to the other party. Its registered office is at 100 New Bond Street, London W1S 1SP, United Kingdom. Storm Capital Management Limited is authorized and regulated by the Financial Services Authority (FSA).

In addition, the Investment Manager may receive out of the assets a monthly performance fee of up to 10% of the net return subject to a high watermark.

This additional performance fee is equal to the average number of outstanding Shares during a month on a Valuation Day of the increase in gross asset value (the "Gross Asset Value") per Share of the respective Class above the highest between the Net Asset Value per Share of the respective Class at the initial subscription and the Net Asset Value per Share of the respective Class at the end of the last month in which a performance fee was paid (the "Peak Net Asset Value"). The performance fee is only payable, when the Net Asset Value per Share at the end of a month compared to the Peak Net Asset Value per Share reaches a new high, and only on the new

increase in value that is above the reported high of the Net Asset Value per Share at the end of the previous month. The Peak Asset Value per Share will be adjusted accordingly.

The Gross Asset Value is equal to the Net Asset Value before deduction or accrual of the performance fee, but after deduction or accrual of all other expenses and liabilities including the above mentioned Management and Administrative fee. The Gross Asset Value is determined on each Valuation Day basis for the purposes of the accruals of the performance fee. The Gross Asset Value is also determined on the last bank business day of each month.

The performance fee will be calculated and accrued on each Valuation Day for the purposes of calculating Net Asset Value and Redemption Prices. The performance fee (if any) will be paid to the Investment Manager out of the assets attributable to the respective Class after each month end.

In the event of termination/liquidation of the Sub-Fund on a date other than the first or last Business Day of a fiscal year, the performance fee, if any, shall be calculated in accordance with the provisions laid down here before for the period from the last Business Day of the last month until the termination/liquidation of the Sub-Fund.

The Investment manager may not receive any annual performance fee for the NC Share Classes.

10. Reference Currency of the Sub-Fund

NOK

11. Valuation Day and Settlement Periods

Valuation Day

The Net Asset Value per Share of the Sub-Fund is calculated, under the overall responsibility of the Board, each Thursday (the "Valuation Day"). Where such Valuation Day is not a Business Day in Luxembourg, the Net Asset Value will be calculated on the Business Day first following Business Day.

The Net Asset Value is available at the registered office of the Management Company.

The Net Asset Value per share will also be calculated on the last Business Day of each month. The latter Net Asset Value (being calculated on the last Business Day of each month) shall **not** be used for the issue, redemption and. However, if the last Business Day of a month is a Thursday,

the Net Asset Value, calculated as per that day, as described in the paragraph above, will be used for issue, redemption and switching.

Settlement Period

Settlement periods are the following:

- (i) Payment of Subscription Price: within five (5) Business Days from the relevant Valuation Day.
- (ii) Payment of Redemption Price: The redemption price shall be paid out within five (5) Business Days from the relevant Valuation Day in the currency established for the respective Share Class within the Sub-Fund.

12. Distribution policy

In general, all the Shares in the current Share Classes accumulate any income.

Interim dividends may however be paid at any time on one or more Share Class(es) upon decision of the Board in compliance with applicable laws and regulations.

13. Subscription Tax (*taxe d'abonnement*)

Shares in the IC Share Classes are subject to a subscription tax at an annual rate of 0.01% of the relevant net assets which is calculated and payable quarterly at the end of the relevant quarter. However, this tax is not due for the part of the net assets invested in other Luxembourg UCIs.

Shares in the RC and NC Share Classes are subject to a subscription tax at an annual rate of 0.05% of the relevant net assets which is calculated and payable quarterly at the end of the relevant quarter. However, this tax is not due for the part of the net assets invested in other Luxembourg UCIs.

APPENDIX IV - ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

Dated: October 2013

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
Germany

Redemption applications for Shares in Storm Fund II may be submitted to the German paying and information agent and all payments (redemption proceeds, distributions and any other payments) due to Shareholders may be paid through the German paying and information agent.

All necessary information for Investors, those are the Articles, Prospectuses, KII, annual and semi-annual reports and issue and redemption prices, may also be obtained free of charge from the German paying and information agent. In addition, Shareholders may inspect the Custodian 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 Shareholders will be published in the *Börsen-Zeitung* newspaper. The Management Company may also arrange for other publications.