



**LOMBARD ODIER**  
INVESTMENT MANAGERS

# PrivilEdge

Prospectus

14 May 2018

PrivilEdge  
is an investment company  
with variable capital ("SICAV")  
incorporated in Luxembourg



# PROSPECTUS

Relating to the issue of shares of

## **PrivilEdge (the "Company" or "PrivilEdge").**

The defined terms used in the prospectus shall have the meaning given to them in the Glossary.

Subscriptions are accepted on the basis of the current prospectus of the Company (the "Prospectus"), the relevant key investor information documents and the latest audited annual or unaudited semi-annual accounts of the Company. These documents may be obtained free of charge at the registered office of the Company.

The Company reserves the right to reject, at its sole discretion, any subscription request for Shares and to accept any application in part only. The Company does not permit practices related to market timing and reserves the right to reject subscription and conversion orders from investors who the Company suspects of using such practices and to take the appropriate measures to protect other investors of the Company.

The Shares are offered on the basis of the information and representations contained in this Prospectus and shall only be held in accordance with the principles set forth in this Prospectus in order to ensure Company's compliance with certain legal and regulatory requirements. All other information given or representations made by any person must be regarded as unauthorized. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful, or in which the person making such an offer or solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such offer or solicitation.

The Shares have not been registered under the United States Securities Act of 1933 and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a United States Person. For this purpose, the term "United States Person" shall mean any citizen, national or resident of the United States of America, partnership organized or existing in any state, territory or possession of the United States of America, a corporation organized under the laws of the United States or of any state, territory or possession thereof, or any estate or trust that is subject to United States Federal income tax regardless of the source of its income. In addition, it should be noted that under the FATCA legislation, the direct holding, offering and/or selling of Shares may be forbidden to a wider range of investors than those falling within the United States Person definition mentioned above. The Company will review the existing shareholding in the light of FATCA legislation and may make proposals to relevant shareholders regarding some of their holdings in the context of compliance with FATCA.

Investors in Shares should inform themselves as to the legal requirements of so applying and any applicable exchange controls and applicable taxes in the countries of their respective citizenship, residence or domicile.

Statements made in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes therein.

Whilst using their best endeavors to attain the investment objectives, the Directors cannot guarantee the extent to which these objectives will be achieved. It should be remembered that the price of Shares of any Sub-Fund may go down as well as up.

The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain other jurisdictions. The above information is for general guidance only, and it is the responsibility of any persons in possession of this Prospectus and of any persons wishing to make application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. If you have any doubts about the contents of this Prospectus you should consult your stockbroker, solicitor or other financial adviser.

Any material change to the Company's structure, organization or operations that requires an update of the Prospectus will be notified to the investors in the conditions set forth in CSSF Circular 14/591. According to such circular, the minimum notification period is one month. During this one-month period before the entry into force of the significant change, investors holding Shares have the right to request, without any repurchase or redemption charge, the repurchase or redemption of their Shares. In addition to the possibility to redeem Shares free of charge, the Company may also (but is not obliged to) offer the option to investors holding Shares to convert their Shares into shares in another UCI (or, in case the change affects only one Sub-Fund, into Shares in another Sub-Fund) without any conversion charges. However, derogations to these rules may be granted by the CSSF on a case by case basis.

To the extent permitted by local foreign laws, the English version of the Prospectus shall prevail in case of discrepancies with its translation into another language.

The date of this Prospectus is 14 May 2018.

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# GLOSSARY AND DEFINITIONS

The terms used in the Prospectus have the meaning as defined in the Glossary.

<b>1915 Law</b>	Luxembourg law of 10 August 1915 on commercial companies as amended from time to time
<b>2002 Law</b>	Luxembourg law of 2 August 2002 on data protection, as amended from time to time
<b>2010 Law</b>	Luxembourg law of 17 December 2010 on undertakings for collective investment or any legislative replacements or amendment thereof as amended from time to time
<b>2015 Law</b>	Luxembourg law of 18 December 2015 relating to the automatic exchange of tax information
<b>A Shares</b>	Accumulation Shares
<b>ABS</b>	Asset-backed securities
<b>ADRs</b>	American Depository Receipts
<b>Alternative Currency</b>	Currency of a class of shares issued in a currency other than the Reference Currency. Currencies used as Alternative Currencies are EUR, USD, CHF, GBP, SEK, NOK, CAD, AUD, JPY, HKD and SGD
<b>Articles</b>	The articles of incorporation of the Company
<b>AUD</b>	Australian dollar
<b>Benchmark Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds
<b>Board</b>	The board of Directors of the Company
<b>Bond Connect</b>	Scheme launched for mutual access between the Hong Kong and mainland China bond markets through a cross-border platform.
<b>Business Day</b>	Every day which is a full bank business day in Luxembourg ( <i>i.e.</i> 24 December is not a full Business Day)
<b>CAD</b>	Canadian dollar
<b>Cash and Cash Equivalents</b>	<p>Cash, bank deposits, short-term deposits or other short-term instruments (including ABS/MBS) and money-market instruments issued by sovereign or corporate issuers, the residual maturity of which does not exceed 397 days.</p> <p>Securities issued by UCIs investing in short-term instruments with the following features: duration limited to 1 year, credit spread duration limited to 2 years, legal final maturity of all bonds limited to 3 years, expected final maturity of non-amortizing securitized products (like ABS/MBS) limited to 3 years and weighted average life of amortizing securitized products (like ABS/MBS) limited to 1 year.</p> <p>Securities issued by money market UCIs subject to restrictions as set forth in paragraph 3.1 (ii).</p> <p>Alternatively to holding securities issued by money market UCIs as part of their Cash and Cash Equivalents, all Sub-Funds may hold directly instruments of the same nature and in the same proportion as those comprising the portfolio of a given money market UCI, which may include fixed rate securities, the residual maturity of which does not exceed 397 days. FRNs that have frequent resets of the coupon, <i>i.e.</i> annually or more frequently, will be regarded as passive substitutes for short-term instruments, provided that their maximum residual maturity is of 762 days</p>
<b>CCASS</b>	Hong Kong Central Clearing and Settlement System
<b>CD</b>	Certificate of deposit
<b>CDS</b>	Credit default swap
<b>Central Administration Agent</b>	CACEIS Bank, Luxembourg Branch
<b>CESR</b>	Committee of European Securities Regulators (replaced by ESMA as of 1 January 2011)

<b>CESR Guidelines 10-788</b>	CESR's Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS dated 28 July 2010
<b>CFD</b>	Contract for difference
<b>China A-Shares</b>	Shares in mainland China-based companies that trade on Chinese stock exchanges
<b>CHF</b>	Swiss Franc
<b>ChinaClear</b>	China Securities Depository and Clearing Corporation Limited
<b>CIBM</b>	China Interbank Bond Market – market which is part of an investment program implemented by PBOC allowing for direct investment in RMB securities and derivatives dealt on this market without the requirement of a license or quota
<b>CNH</b>	Offshore RMB as further detailed in the Risk Factors Annex
<b>CNY</b>	Onshore RMB as further detailed in the Risk Factors Annex
<b>Coco Bonds</b>	Contingent Convertible Bonds. Debt securities that have conversion or write-down features contingent upon pre-defined terms
<b>Company</b>	PrivilEdge
<b>CSRC</b>	China Securities Regulatory Commission
<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority
<b>Cut-off time</b>	Deadline to submit subscription, redemption or conversion applications to the Company as set out in Appendix A in relation to a given Sub-Fund
<b>D Shares</b>	Distribution Shares
<b>Dealing Charge</b>	Charges which may be levied discretarily by the Company pursuant to Appendix A in relation to a given Sub-Fund in addition to the Issue and Redemption Prices in favour of the relevant Sub-Fund, in order to mitigate the effect of portfolio transactions costs resulting from subscriptions or redemptions
<b>Depository</b>	CACEIS Bank, Luxembourg Branch
<b>Direct Costs</b>	Costs described in paragraph 10.5.3
<b>Directors</b>	The directors of the Company
<b>Distressed Securities</b>	A security that is either in default or in high risk of default (i.e. with a rating of CC or below according to Fitch, S&P or Moody's).
<b>Distribution Fee</b>	The distribution fee payable to the Global Distributor or Distributor as described in paragraph 10.5.2 at the rates set out in Appendix A
<b>ECP</b>	Euro Commercial Paper
<b>EEA</b>	European Economic Area
<b>Eligible State</b>	A member State of OECD and all other countries of Europe, the American Continents, Africa, Asia, the Pacific Basin and Oceania
<b>Emerging Markets</b>	Markets or countries with a low to middle per capita income or, at the discretion of the Management Company, any country or market that is a component in an emerging market index of a major index provider. Examples of emerging markets include Indonesia, Iran, some countries of Latin America, some countries in Southeast Asia, most countries in Eastern Europe, Russia, some countries in the Middle East, and parts of Africa. Investors may obtain, free of charge, from the Company, on written request sent to its registered office, an updated list of Emerging Markets
<b>EMU</b>	European Monetary Union
<b>EPM</b>	Efficient portfolio management
<b>Equity Fund</b>	As defined in 21.2

<b>ESMA</b>	European Securities and Markets Authority
<b>ETF</b>	Exchange Traded Fund(s)
<b>EU</b>	European Union
<b>EUR</b>	The euro currency
<b>Euro-CRS Directive</b>	Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation
<b>FATCA</b>	The Foreign Account Tax Compliance provisions contained in the Hiring Incentives to Restore Employment Act signed into US law in March 2010; FATCA is construed as: <ul style="list-style-type: none"> <li>(i) sections 1471 through 1474 of the US Internal Revenue Code and any successor provisions, associated legislation, regulations and guidance, and similar legislation, regulations and guidance enacted to implement similar tax reporting or withholding tax regimes;</li> <li>(ii) any intergovernmental agreement, treaty, legislation, regulation, guidance and other agreement entered into in order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described under (i);</li> <li>(iii) any legislation, regulations or guidance issued by an applicable governmental entity that gives effect to the matters described under paragraphs (i) and (ii)</li> </ul>
<b>Feeder</b>	A feeder UCITS as defined under paragraph 4.2 (g)
<b>FFI</b>	Foreign financial institution(s) under FATCA
<b>FRN</b>	Floating-rate note
<b>FROC</b>	Fixed rate of operational costs as defined under paragraph 10.5.3
<b>Fund Servicing Costs</b>	Costs described in paragraph 10.5.3
<b>G20</b>	Group of Twenty established in September 1999
<b>GBP</b>	British Pound Sterling
<b>GITL</b>	German Investment Tax Law passed by the Federal Council of Germany, as amended from time to time
<b>GDRs</b>	Global Depository Receipts
<b>Group of Assets</b>	Assets with common characteristics such as but not limited to the same region, country, currency and/or sector
<b>HKD</b>	Hong Kong dollar
<b>HKSCC</b>	Hong Kong Securities Clearing Company Limited
<b>IML</b>	<i>Institut Monétaire Luxembourgeois</i> (replaced by CSSF)
<b>Initial Charge</b>	The initial charge described in paragraph 10.1
<b>Institutional Investors</b>	Institutional investors within the meaning of article 174 (2) c) of the 2010 Law
<b>Investment Managers</b>	The investment managers listed in paragraph 6.3 appointed by the Management Company, with the agreement of the Board, to provide day-to-day discretionary investment management services for the Sub-Funds
<b>IRS</b>	Interest rate swap
<b>Issue Price</b>	The price at which Shares shall be issued, such price being the Net Asset Value per Share for the relevant Sub-Fund increased by the Initial Charge and the case being, by a Dealing Charge as further described in Section 10
<b>JPY</b>	Japanese Yen
<b>Management Company</b>	Lombard Odier Funds (Europe) S.A.

<b>Management Fee</b>	The management fee payable to the Management Company as described in paragraph 10.5.1 at the rates set out in Appendix A
<b>Master</b>	A Master UCITS as defined under paragraph 4.2 (g)
<b>MBS</b>	Mortgage-backed securities
<b>Member State</b>	A member State of the European Union as well as any States referred to in the term "Member State" defined in article 1 of the 2010 Law
<b>MiFID II</b>	The corpus of rules formed by (i) the Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on markets in financial instruments, the Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments, (ii) any binding guidelines or other delegated acts and regulations issued from time to time by the EU relevant authorities pursuant to the Directive 2014/65/EU and the Regulation No 600/2014 and, (iii) as the context may require, any applicable domestic law, regulation and administrative practice or ruling deriving from texts or acts under items (i) and (ii)
<b>Mixed Fund</b>	As defined in 21.2
<b>NAV</b>	Net asset value per Share
<b>Net Asset Value</b>	Total assets of the relevant Sub-Fund less its liabilities
<b>Net Asset Value per Share</b>	Total net assets of the relevant Sub-Fund, being the market value of its assets less its liabilities, divided by the number of Shares of the relevant Sub-Fund
<b>NOK</b>	Norwegian Krone
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>Official Listing</b>	Official listing on a stock exchange in an Eligible State
<b>Operational Costs</b>	Costs described in paragraph 10.5.3
<b>OTC</b>	Over-the-counter
<b>Payment Date</b>	Date on which the payment of the Issue Price shall be made in full for value or on which payment of the Redemption Price will ordinarily be made, as set out in Appendix A
<b>PBOC</b>	People's Bank of China
<b>Performance Fee</b>	The performance fee payable to the Management Company as described in paragraph 10.5.1 at the rates set out in Appendix A
<b>PRC</b>	People's Republic of China
<b>Prospectus</b>	The current prospectus of the Company
<b>QFII</b>	Qualified foreign institutional investor
<b>Redemption Price</b>	The price at which Shares shall be redeemed, such price being the Net Asset Value per Share for the relevant Sub-Fund reduced as the case being, by a Dealing Charge
<b>Reference Currency</b>	Currency in which shares of the Sub-Fund are issued
<b>Regulated Market</b>	Regulated market, other than Official Listing, which operates regularly and is recognized and open to the public in an Eligible State
<b>REIT</b>	Real estate investment Trust(s)
<b>RESA</b>	Recueil Electronique des Sociétés et Associations, the Luxembourg official electronic platform of central publication regarding companies and associations, which has replaced the Mémorial C, Recueil des Sociétés et Associations

<b>Risk Factors Annex</b>	The list of risk factors set out in Appendix B
<b>Risk Parity Methodology</b>	Rule-based methodology according to which the weight of an asset comprising a portfolio is adjusted so that its contribution to the risk of such portfolio tends to be equivalent to that of the other assets or Group of Assets of the portfolio
<b>RMB</b>	Renminbi; the official currency of the People's Republic of China is used to denote the Chinese currency traded in the onshore, through onshore RMB (CNY), and the offshore markets, the offshore RMB (CNH); for clarification purposes, all references to RMB in the name of a Share Class or in the Reference Currency must be understood as a reference to offshore RMB (CNH)
<b>RQFIIs</b>	Renminbi qualified foreign institutional investors
<b>SAFE</b>	State Administration of Foreign Exchange in China
<b>SEK</b>	Swedish krona
<b>SEHK</b>	Stock Exchange of Hong Kong Limited
<b>SFIs</b>	Structured financial instruments
<b>SFTR</b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
<b>SGD</b>	Singapore dollar
<b>Shares</b>	Shares of the Company
<b>SSE</b>	Shanghai Stock Exchange
<b>Stock Connect</b>	The Shanghai-Hong Kong Stock Connect, which is a securities trading and clearing links programme developed by the SEHK, the SSE, HKSCC and ChinaClear with an aim to achieve mutual stock market access between the PRC and Hong Kong. Stock Connect comprises the Northbound link, through which a Sub-Fund may purchase and hold SSE Securities, and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the SEHK. The Company will trade through the Northbound link
<b>Sub-Funds</b>	The Sub-Funds of the Company, each corresponding to a distinct part of the assets and liabilities of the Company
<b>Sub-Investment Managers</b>	The sub-investment managers appointed by the Investment Managers, with the prior approval of the Management Company and without prejudice to the responsibility of the Investment Managers, to provide investment management services with discretionary asset management power
<b>T-Bills</b>	Treasury bills
<b>Target Sub-Fund</b>	A Sub-Fund whose Shares are subscribed, acquired and/or held by another Sub-Fund
<b>TRS</b>	Total return swap
<b>UCIs</b>	Undertakings for collective investment, including UCITS
<b>UCITS</b>	Undertakings for collective investment in transferable securities
<b>UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to UCITS, as amended from time to time
<b>UCITS Rules</b>	The corpus of rules formed by (a) the UCITS Directive, (b) the Commission Delegated Regulation (EU) 2016/438 and (c) any national laws and regulations which are taken in relation to (or transposing either of) the foregoing, including the 2010 Law
<b>US</b>	United States
<b>USD</b>	Dollar of the United States of America

<b>Valuation Day</b>	The relevant Business Day (daily or weekly) where the Sub-Funds are priced and Shares are issued and/or may be redeemed and converted and which is also a bank business day in the principal market or stock exchange on which a material part of a Sub-Fund's investments for the time being are quoted as set out in Appendix A
<b>Valuation Regulations</b>	Valuation regulations and guidelines adopted by the Directors and as from time to time modified by them
<b>VaR</b>	Value at Risk

# 1. LIST OF PARTIES AND ADDRESSES

## **The Company**

PrivilEdge

## **Registered Office**

291, route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg

## **Board of Directors**

### **Chairman of the Board**

Yvar Mentha

### **Directors**

Mariusz Baranowski

Mark Edmonds

Stéphane Monier

Alexandre Meyer

Jean-Claude Ramel

Yvar Mentha and Jean-Claude Ramel are former employees of the Lombard Odier Group. Mariusz Baranowski, Mark Edmonds, Stéphane Monier and Alexandre Meyer are employees of the Lombard Odier Group.

## **Management Company and Domiciliary Agent**

Lombard Odier Funds (Europe) S.A.

291 route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg

Email address: luxembourg-funds@lombardodier.com

### **Directors of the Management Company**

Alexandre Meyer

Julien Desmeules

Mark Edmonds

Francine Keiser

Patrick Zurstrassen

Alexandre Meyer, Julien Desmeules and Mark Edmonds are employees of the Lombard Odier Group. Francine Keiser and Patrick Zurstrassen are independent directors.

### **Dirigeants of the Management Company**

Mariusz Baranowski

Mark Edmonds

Mariusz Baranowski and Mark Edmonds are employees of the Lombard Odier Group.

## **Investment Managers, Sub-Investment Managers**

Aberdeen Asset Management Asia Limited

21 Church Street, #01-01 Capital Square Two, 049480, Singapore

Aberdeen Asset Managers Limited

10 Queen's Terrace, Aberdeen, AB10 1YG, United Kingdom

Ashmore Investment Management Limited

61 Aldwych, London WC2B 4AE, United Kingdom

AXA Investment Managers Paris  
Tour Majunga - La Défense 9 - 6, place de la Pyramide - 92800 Puteaux, France

BlackRock Investment Management (UK) Limited  
12, Throgmorton Avenue, London EC2N 2DL, United Kingdom

Columbia Management Investment Advisers, LLC  
225 Franklin Street, Boston, MA 02110, United States of America

Degroof Petercam Asset Management SA  
Rue Guimard 18, 1040 Brussels, Belgium

FIL Pensions Management  
Oakhill House, 130 Tonbridge Road, Hildenborough, Kent TN11 9DZ, United Kingdom

FIL Investments International  
Oakhill House, 130 Tonbridge Road, Hildenborough, Kent TN11 9DZ, United Kingdom

Flossbach von Storch AG  
Ottoplatz 1, 50679 Cologne, Germany

Franklin Templeton Investment Management Limited  
Cannon Place, 78 Cannon Street, London EC4N 6HL, United Kingdom

H2O Asset Management LLP  
2<sup>nd</sup> Floor, 10 Old Burlington Street, London W1S 3AG, United Kingdom

Henderson Global Investors Limited  
201 Bishopsgate, London, EC2M 3AE, United Kingdom

Income Partners Asset Management (HK) Limited  
Suite 3311 - 3313, 2 IFC, 8 Finance Street, Central, Hong Kong

JP Morgan Asset Management (UK) Limited  
60 Victoria Embankment, London EC4Y 0JP, United Kingdom

Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust  
2005 Market Street, Philadelphia, PA 19103, United States of America

Moneta Asset Management  
36 rue Marbeuf, 75008 Paris, France

NN Investment Partners B.V.  
65 Schenkkade, 2595 AS, The Hague, The Netherlands

Payden & Rygel  
333 South Grand Avenue, Suite 3200, Los Angeles, California 90071, United States of America

PPM America, Inc.  
225 W. Wacker Drive, Suite 1200, Chicago, Illinois 60606, United States of America

Robert W. Baird & Co. Incorporated  
777 East Wisconsin Avenue, Milwaukee, 53202, United States of America

Sands Capital Management, L.L.C.  
1000 Wilson Boulevard, Suite 3000, Arlington, Virginia 22209, United States of America

Sumitomo Mitsui Asset Management Company, Limited  
Atago Green hills Mori Tower 28F, 2-5-1 Atago, Minato-ku, Tokyo 105-6228, Japan

T. Rowe Price International Ltd  
60 Queen Victoria Street, London EC4N 4TZ, United Kingdom

Wellington Management Company LLP  
280 Congress Street, Boston, Massachusetts 02210, United States of America

Wells Capital Management, Incorporated  
525 Market Street, 10<sup>th</sup> Floor, San Francisco, 94105, United States of America



William Blair Investment Management, LLC  
150 North Riverside Plaza, Chicago, Illinois 60606, United States of America

#### **Global Distributor**

Lombard Odier Funds (Europe) S.A.  
291, route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg

#### **Distributor(s)**

Any other financial intermediary that may be appointed for the marketing and sale of the Shares as defined under Section 11 of the Prospectus

#### **Depository, Central Administration Agent and Registrar, Transfer Agent and Paying Agent**

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer, 2520 Luxembourg, Grand Duchy of Luxembourg

#### **Independent Auditor**

PricewaterhouseCoopers, société coopérative  
Réviseur d'entreprises  
2, rue Gerhard Mercator, 1014 Luxembourg, Grand Duchy of Luxembourg

#### **Legal Advisers**

In Luxembourg

Linklaters LLP  
35, avenue John F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg

#### **Foreign Representatives**

In the Netherlands

Lombard Odier Asset Management (Europe) Ltd, Netherlands Branch  
Mondriaantoren, Amstelplein 54, 26th Floor, 1096 BC Amsterdam, The Netherlands

In Switzerland

Representative

Lombard Odier Asset Management (Switzerland) SA  
6, avenue des Morgines, 1213 Petit-Lancy, Switzerland

Paying Agent

Bank Lombard Odier & Co Ltd  
11, rue de la Corraterie, 1204 Geneva, Switzerland

In the United Kingdom

Lombard Odier Asset Management (Europe) Limited  
Queensberry House, 3 Old Burlington Street, London W1S 3AB, United Kingdom

In Austria

Erste Bank der oesterreichischen Sparkassen AG  
Am Belvedere 1, 1100 Vienna, Austria

In Italy

Paying Agents

Allfunds Bank, S.A.U., Milan Branch  
Via Bocchetto 6, 20123 Milan, Italy

Société Générale Securities Services S.p.A.  
Via Benigno Crespi 19A, 20159 Milan, Italy

In France

Centralising Agent

CACEIS Bank  
1-3, place Valhubert, 75013 Paris, France

In Belgium

CACEIS Belgium S.A.  
Avenue du Port 86C, b320, 1000 Brussels, Belgium

In Spain

Allfunds Bank, S.A.U.  
Calle Estafeta 6, La Moraleja, Alcobendas 28109, Madrid, Spain

In Liechtenstein

Paying Agent

LGT Bank AG  
Herrengasse 12, 9490 Vaduz, Liechtenstein

In Germany

German Information and Paying Agent

DekaBank Deutsche Girozentrale  
Mainzer Landstrasse 16, 60325 Frankfurt/Main, Germany

## 2. LEGAL FORM

### 2.1 The Company

The Company is organized as a public limited company under the 1915 Law and qualifies as a "*société d'investissement à capital variable*" falling under Part I of the 2010 Law, complying with the requirements of the UCITS Directive.

The Company was incorporated on 22 October 2013 for an unlimited period. The Articles were amended for the last time on 10 December 2014 and amendments thereto were published in the *Mémorial, Recueil des Sociétés et Associations* on 27 January 2015. The minimum share capital of the Company is the equivalent of EUR 1,250,000.

The Company is registered under number B181207 in the Luxembourg Trade and Companies Register. Its Articles are available for inspection there and a copy thereof may be obtained upon request against payment of a fee as determined by the Luxembourg Trade and Companies Register or free of charge at the registered office of the Company. Its principal and registered office is at 291, route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg.

The Directors are listed in Section 1.

There are no provisions in the Articles expressly governing the remuneration (including pension or other benefits) of the Directors. The Directors shall be reimbursed for their out-of-pocket expenses and their remuneration shall be approved by the shareholders of the Company in a General Meeting. Directors affiliated to the Lombard Odier Group of Companies are not entitled to a fee for their services.

The capital of the Company is represented by Shares of no par value of different classes which relate to Sub-Funds and shall at any time be equal to the total net assets of the Company.

The liabilities of each Sub-Fund shall be segregated on a Sub-Fund by Sub-Fund basis with third party creditors having recourse only to the assets of the Sub-Fund concerned.

### 2.2 The Shares

Shares of the Company have no par value and have like rights and privileges. Each Share shall carry the right to participate in the profits and the results of the relevant Sub-Fund's operations. The Shares shall have no preferential, pre-emption, conversion or exchange rights. There are no, nor is it intended that there will be any, outstanding options or special rights relating to any Shares. Each whole Share entitles the holder thereof at all general meetings of shareholders and at all special meetings of the relevant class of shares to one vote which may be cast in person or by proxy.

The Shares are freely transferable, except that the Board may, according to the Articles and as further detailed in Section 12 below, restrict the direct holding of Shares or the ownership of Shares by certain persons or make proposals regarding existing shareholders' holdings in order to comply with legal or regulatory requirements.

The Articles permit to create within each Sub-Fund different classes of Shares. Classes of Shares may differ with regard to their dividend policy, investor eligibility criteria, fee structure or other specific features. At present, the Board has decided that the following classes of Shares may be issued:

- seven main classes of Shares ("U Shares", "P Shares", "R Shares", "I Shares", "S Shares", "M Shares" and "N Shares") that differ mainly in terms of fees, type of investor and minimum initial investment and holding amount;
- Shares in the form of A Shares or D Shares. Their respective dividend policy is described in Section 5;
- Shares in registered form only;
- Shares denominated in Alternative Currencies;
- Shares with different currency hedging policy;
- Shares with lower fees for initial investors in a newly created Sub-Fund ("seeding" Share class).

The following table shows the main features of the different classes of Shares that may be available for each Sub-Fund.

	<b>P, R Shares</b>	<b>U, I, N Shares</b>	<b>S Shares</b>	<b>M Shares</b>
<b>Type of investor<sup>1</sup></b>	As indicated in Appendix A	As indicated in Appendix A	Institutional investors <sup>2</sup>	As indicated in Appendix A
<b>Minimum Initial Investment and Minimum Holding<sup>3</sup></b>	As indicated in Appendix A	As indicated in Appendix A	As indicated in Appendix A <sup>4</sup>	As indicated in Appendix A
<b>Management Fees</b>	Yes	Yes	No <sup>5</sup>	Yes
<b>Performance Fees</b>	Yes if set out in Appendix A	Yes if set out in Appendix A	No <sup>6</sup>	Yes if set out in Appendix A
<b>Distribution Fees</b>	Yes if set out in Appendix A	No	No	No
<b>Forms available / Dividend policy</b>	A Shares D Shares <sup>6</sup>	A Shares D Shares <sup>6</sup>	A Shares D Shares <sup>6</sup>	A Shares D Shares <sup>6</sup>
<b>Forms available / Alternative Currencies<sup>7</sup></b>	EUR / USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
<b>Forms available / Currency hedging policy<sup>8</sup></b>	No hedging / Systematic hedging	No hedging / Systematic hedging	No hedging / Systematic hedging	No hedging / Systematic hedging
<b>Seeding Share class<sup>9</sup></b>	Yes	Yes	No	Yes

<sup>1</sup> The Board or the Management Company may waive the eligibility criteria in relation to any given class of Shares.

<sup>2</sup> S Shares are intended for Institutional Investors who have concluded a specific remuneration agreement in respect of their investment in class S Shares of a Sub-Fund with the Company, the Management Company or any other entity of the Lombard Odier Group. Invoices issued by the Management Company will be paid directly by such Institutional Investor.

<sup>3</sup> For all classes of Shares, the minimum amounts indicated here may be different from those potentially set for a "seeding" Share class (see below). The Board may waive these minimum initial investment and minimum holding requirements for all classes of Shares.

<sup>4</sup> The minimum initial investment and minimum holding amount will be indicated in the specific remuneration agreement entered into with the Company, the Management Company or any other entity of the Lombard Odier Group.

<sup>5</sup> No Management Fee and Performance Fee are levied on the S Shares of each Sub-Fund.

<sup>6</sup> For certain Sub-Funds there may be classes of Shares with one annual dividend only and/or classes of Shares with one or more interim dividends.

<sup>7</sup> Costs related to the currency conversion, if any, of subscription or redemption amounts from or into the Reference Currency, will be borne by each class of Shares issued in an Alternative Currency.

<sup>8</sup> All Sub-Funds may issue classes of Shares in the Reference Currency or in an Alternative Currency with a different currency hedging policy. Hedged Share classes denominated in HKD, SGD and RMB may not be available. Fees related to the currency hedging policy, if any, will be borne by the relevant class of Shares issued in an Alternative Currency. When a currency hedging policy is applied at a Share class level, the amount of the hedging shall be between 95% and 105% of the total net assets of the Share class in Alternative Currency. Changes in the market value of the Sub-Fund's portfolio, as well as subscriptions and redemptions of Share classes in Alternative Currency, can result in the hedging temporarily deviating from the aforementioned range. Necessary steps will be taken to bring the hedging back within the aforementioned limits.

<sup>9</sup> Upon Board's decision, a Share class may be created in "seeding" form at the inception of a Sub-Fund. The purpose of such Share class is to entice investors to invest in a newly created Sub-Fund by offering a Share class with lower Management Fee and/or Performance Fee and/or Distribution Fee but, to the extent permissible by law and regulations, with a specific minimum initial investment amount and/or a specific minimum holding amount to be determined at the discretion of the Board. When created, the "seeding" Share class remains open to subscriptions until the occurrence of any of the following event: (i) a certain period of time set by the Board has elapsed, (ii) the Sub-Fund has reached a critical size in terms of assets under management determined by the Board or (iii) the Board decides on the basis of reasonable grounds to cease the offering of the "seeding" Share class. It should be noted that the Board reserves the right to modify or terminate the conditions attached to the "seeding" Share class. In such case, the Board will have due regard to applicable laws and regulations, including the principle of equal treatment of shareholders, and, as the case may be, the shareholders concerned will be informed in advance and given the possibility to redeem or convert into another Share class their "seeding" Shares without redemption/conversion charges.

For certain Sub-Funds, the Board may decide to create a class of Shares where shareholders may elect to subscribe in Shares with a standard Management Fee or in Shares with a lower Management Fee but with a Performance Fee. Management Fee and Performance Fee for such additional class of Shares, if any, will be mentioned in Appendix A.

For certain Sub-Funds, the Board may decide to create (i) classes of Shares which may be subscribed and/or redeemed on a weekly basis (weekly Shares) and/or (ii) classes of Shares which may be subscribed and/or redeemed on a daily basis (daily Shares). Differences between daily Shares and weekly Shares in terms of subscription and redemption procedures as well as differences in terms of Management Fees and Distribution Fees are mentioned, if applicable, in paragraph 12.1 respectively in Appendix A.

The list of Sub-Funds, with classes of Shares available including classes of Shares with a lower Management Fee but with a Performance Fee, with a class of Shares issued in an Alternative Currency, with a specific currency hedging policy, or with a class of Shares in "seeding" form is disclosed in the annual and semi-annual reports and on Lombard Odier Group website ([www.loim.com](http://www.loim.com)) and can be obtained at the registered office of the Company or of the Foreign Representatives. Any class of Shares may be listed on the Luxembourg Stock Exchange at the discretion of the Board.

Although assets attributable to different Sub-Funds of the Company are segregated (see paragraph 2.1), investors should be aware that there exists no legal segregation of assets between different classes of Shares within the same Sub-Fund. Therefore, in case that the net assets attributable to a class of Shares of a Sub-Fund are not sufficient to cover the charges and expenses relating to a specific class of Shares (e.g. currency hedging costs, etc.), such charges and expenses will be paid out of the net assets of the other classes of Shares of the same Sub-Fund.

## 3. INVESTMENT OBJECTIVES AND POLICIES

### 3.1 General Provisions Common to all Sub-Funds

The Company aims to provide investors with the opportunity of participating in a wide selection of financial markets through a range of actively managed Sub-Funds.

The investment policies of the Company are determined by the Directors, after taking into account the political, economic, financial and monetary factors prevailing in the selected markets.

The list of Sub-Funds currently offered for subscription with the description of the investment policies and main characteristics can be found in Appendix A.

Whilst keeping the principle of risk diversification, Sub-Funds invest in assets which comply with the description of the Sub-Fund unless otherwise mentioned in Appendix A in relation to a given Sub-Fund. Subject to lower or higher limit set out in the investment objective and policy of a Sub-Fund, the Sub-Funds may invest up to 10% of their portfolio in securities other than those described in their respective investment objectives and policies. Unless otherwise mentioned in Appendix A in relation to a given Sub-Fund and always subject to the limits permitted by the Investment Restrictions described in Section 4, the following principles will apply to the Sub-Funds:

#### (i) **Cash and Cash Equivalents**

Subject to lower or higher limits set out in the investment objective and policy of a Sub-Fund and in accordance with the applicable diversification rules, the Sub-Funds may hold up to 49% of their net assets in Cash and Cash Equivalents. Such limit will not apply under extraordinary market conditions and is subject to liquidity considerations. In particular, a Sub-Fund may hold its net assets in Cash and Cash Equivalents in excess of the above-mentioned limit pending investment upon receipt of subscription monies, pending redemptions in order to maintain liquidity, for EPM or for short-term defensive purposes when the Investment Manager believes it is in the best interest of the shareholders to do so. During these periods, a Sub-Fund may not achieve its investment objective and policy.

The Company will regard FRNs that have frequent resets of the coupon, *i.e.* annually or more frequently, as passive substitutes for short-term instruments, provided that their maximum residual maturity is of 762 days.

For the purposes of computing the investment ratios mentioned in Appendix A in relation to a given Sub-Fund, Cash and Cash Equivalents held on a temporary basis will not be taken into account if the ratio refers to the Sub-Fund's portfolio and will be taken into account if the ratio refers to the Sub-Fund's assets or net assets. In case a security that could be qualified as Cash and Cash Equivalents is held by a Sub-Fund as part of the implementation of its core investment policy, such security will not be considered a Cash and Cash Equivalents component for the calculation of investment limits.

(ii) **UCIs**

Subject to lower or higher limits set out in the investment objective and policy in Appendix A in relation to a given Sub-Fund or unless units of eligible UCIs is part of the investment objective and policy of a Sub-Fund, the Sub-Funds may hold up to 10% of their net assets in eligible UCIs. Investment in UCIs may also be used by the Sub-Funds to manage their cash position.

The securities issued by collective investment vehicles with at least 50% of their net assets, according to their investment policy, invested in a particular class of assets will themselves be treated as securities of such class of assets for the purposes of the investment policy set out in this Prospectus (example: collective investment vehicles with at least 50% of their net assets, according to their investment policy, invested in shares and other securities equivalent to shares will be treated as equity securities). Where a collective investment vehicle is structured as an umbrella and the Company holds securities belonging to one or more Sub-Funds of such collective investment vehicle, the same principle shall apply *mutatis mutandis* to the securities of each Sub-Fund.

(iii) **Financial derivative instruments**

The Management Company and the Investment Managers may use all categories of financial derivative instruments authorized by Luxembourg law or by Circulars issued by the CSSF and in particular the categories mentioned in paragraph 4.1 (vii).

Financial derivative instruments may be used for one of the following strategies: for hedging purposes, for EPM or as part of the investment strategy of a Sub-Fund. A description of those strategies is mentioned in paragraph 4.1 (vii). The use of financial derivative instruments as part of the investment strategy may result in a higher level of leverage and increase the overall risk exposure (*i.e.*, the total exposure on derivatives, portfolio and other assets) of a Sub-Fund and the volatility of its Net Asset Value. The assessment of the global exposure of a Sub-Fund associated with derivative instruments is described in paragraph 4.2.

The leverage effect of investments in some financial instruments and the volatility of the prices of options, futures and other derivative contracts would normally make the risk attached to investment in the Shares of the Sub-Funds higher than is the case with conventional investment policies. Additional risks associated with the use of financial derivative instruments are described in the Risk Factors Annex.

(iv) **Techniques and instruments relating to transferable securities and money market instruments**

These techniques and instruments include, but are not limited to, repurchase agreements and securities lending.

The use of any of these techniques and instruments shall not reach a volume which could endanger the spirit of the investment policy.

Risks associated with the use of techniques and instruments relating to transferable securities and money market instruments are described in the Risk Factors Annex.

(v) **SFIs**

Subject to lower or higher limits set out in the Sub-Funds' investment objective and policy or unless the use of SFIs is part of the investment objective and policy of a Sub-Fund, the Sub-Funds may hold up to 10% of their net assets in SFIs, which are eligible transferable securities (as specified in Section 4), organized solely for the purposes of restructuring the investment characteristics of certain other investments (the "Underlying Investments") and issued by first class financial institutions (the "Financial institutions"). The Financial institutions issue transferable securities (the SFIs) backed by or representing interests in the Underlying Investments.

The Sub-Funds may invest in SFIs such as, but not limited to, equity-linked securities, participatory notes, capital protected notes, and structured notes, including securities/notes that are issued by companies advised by the Management Company or any entity of its group. When the SFI embeds a derivative instrument, the embedded derivative must be taken into account when applying the restrictions mentioned in paragraph 4.2 (j).

Sub-Funds investing in convertible bonds, often use SFIs as a substitute to convertible bonds to achieve the same market exposure.

(vi) **Currencies**

Shares of each Sub-Fund are issued in the Reference Currency. However, Shares of each Sub-Fund may also be issued in an Alternative Currency as indicated in Appendix A in relation to a given Sub-Fund.

The Reference Currency of a Sub-Fund is always mentioned in Appendix A in relation to a given Sub-Fund and sometimes between brackets in its name. Sub-Funds may invest in securities denominated in other currencies than their Reference Currency, even when the Reference Currency is mentioned between brackets in their name.

When a currency is mentioned in the name of a Sub-Fund, but not between brackets, at least two-thirds (2/3<sup>rd</sup>s) of the Sub-Fund's portfolio will be invested in securities denominated in that currency.

(vii) **Emerging Markets**

Subject to lower or higher limits set out in the investment policy in Appendix A in relation to a given Sub-Fund, the Sub-Funds whose investment objective and policy give discretion to the Investment Manager with regard to the selection of markets (including Emerging Markets) or currencies, may hold up to 49% of their net assets in securities issued in Emerging Markets and/or Emerging Markets currencies (including CNH).

When such limit is exceeded following the reclassification of a market previously regarded as "non-emerging", the Investment Manager will have discretion as to whether measures should be taken having regard to the best interest of the shareholders.

The attention of investors is drawn to the Risk Factors Annex which sets out the risks associated with the investments in Emerging Markets.

(viii) **Risks associated with investments in the Sub-Funds**

All Sub-Funds are directly or indirectly exposed to various forms of investment risks through the financial instruments in which they invest. The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Funds. Some risks concern all Sub-Funds (see section "General Risks" of the Risk Factors Annex) whereas others are Sub-Fund specific (see section "Risks Linked to Certain Sub-Funds" of the Risk Factors Annex). A review of the risks specific to each Sub-Fund is included in the Risk Factors Annex.

(ix) **Profile of the typical investor**

The profile of the typical investor for each Sub-Fund can be found in Appendix A.

An investment in a Sub-Fund is not a deposit in a bank or other insured depository institution. Investment may not be appropriate for all investors. The Sub-Funds are not intended to be a complete investment program and investors should consider their long-term investment goals and financial needs when making an investment decision about the Sub-Funds. An investment in a Sub-Fund is intended to be a long-term investment. The Sub-Funds should not be used as trading vehicles.

Whilst using their best endeavors to attain the Company's objectives, the Directors cannot guarantee the extent to which the investment objectives will be achieved.

(x) **Benchmark Regulation**

Under the Benchmark Regulation, benchmark administrators shall apply for authorisation or registration by 1 January 2020. Upon such authorisation or registration, the benchmark administrator or the benchmark will appear on the register of administrators and benchmarks maintained by ESMA pursuant to article 36 of the Benchmark Regulation. Currently, administrators of the benchmarks mentioned in this Prospectus are not yet authorized or registered pursuant to the Benchmark Regulation and benefit from transitional provisions up to 31 December 2019. Once the relevant benchmark administrator or the benchmark used by a Sub-Fund appears on ESMA's register of administrators and benchmarks, the Company will update this Prospectus at the next occasion. Appendix A indicates whether the Benchmark Regulation is relevant to a Sub-Fund.

The Management Company maintains a written plan setting out the actions that will be taken in the event that a benchmark materially changes or ceases to be provided in accordance with article 28 of the Benchmark Regulation. The content of such plan can be provided free of charge upon request at the registered office of the Company.

## 3.2 Investment-Grade Rating and Lower Grade Securities

According to generally accepted rating principles in the financial services industry, investments in debt securities are classified in two broad categories:

- Investment-grade securities with ratings by Fitch, S&P or Moody's ranging from AAA (Aaa) to BBB (Baa);
- Speculative investments with ratings of BB (Ba) and below.

For the purpose of the foregoing securities rating limitations, a security will be deemed to be within the relevant rating category even if the rating agency has assigned a modifier, such as a "minus", to the rating. For example, a security rated A- by S&P will be deemed to be rated A by S&P for these purposes.

In the absence of a rating from the rating agencies (such as, but not limited to, Fitch, S&P or Moody's),

- in case of government bonds or government money market instruments, the equivalent long term debt sovereign rating of the country may be used as an alternative for the rating of these securities;

- in case of bonds or money market instruments issued by a corporate, the available rating of the issuer may be used as an alternative for the rating of these securities.

If finally, no rating is available from the rating agencies, or, if so described in the relevant investment policy, the Investment Manager will be entitled to invest in securities which, in his opinion, are deemed to be within the relevant rating category. When rating agencies assign different ratings to a given security and unless otherwise specified in the investment objectives and policy of a Sub-Fund the Investment Manager may consider the highest rating as the valid one.

However, all Sub-Funds using credit derivatives may, in the case of a credit event, have to accept delivery of non-investment-grade bonds.

Units of permitted UCIs with, according to their investment policy, at least 50% of their assets invested in fixed-income securities will be deemed to be investment-grade debt securities unless otherwise provided in the description of the investment policy of the collective investment vehicle.

Risks related to investments in below investment-grade securities are described in the Risk Factors Annex.

### 3.3 Performance of the Sub-Funds

A graph, showing the past performances of those Sub-Funds which have existed for at least one complete calendar year, is contained in the respective key investor information document.

## 4. INVESTMENT RESTRICTIONS

### 4.1 Eligible Assets

Whilst the Company has broad powers under its Articles as to the type of investments it may take and the investment methods it may adopt, the Directors have resolved that the Company may only invest in:

#### Transferable Securities and Money Market Instruments

- (i) transferable securities and money market instruments admitted to an Official Listing; and/or
- (ii) transferable securities and money market instruments dealt in a 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 an Official Listing or a Regulated Market and such admission is achieved within a year of the issue;
- (iv) money market instruments other than those admitted to an Official Listing or dealt in on a Regulated Market, which are liquid and whose value can be determined with precision at any time, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
  - issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking, any securities of which are admitted to an Official Listing or dealt in on Regulated Markets referred to in items (i) and (ii) above, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community Law such as a credit institution which has its registered office in a country which is an OECD member state and a FATF state, or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second and the third indents and provided that the issuer is a company whose capital and reserves amount to at least ten million euros (EUR 10,000,000) and which



presents and publishes its annual accounts in accordance with the fourth directive 78/660/EEC, as amended, 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 securitization vehicles which benefit from a banking liquidity line.

The Company may also invest in transferable securities and money market instruments other than those referred to in items (i) to (iv) above provided that the total of such investment shall not exceed 10% of the net assets attributable to any Sub-Fund.

#### **Units of UCITS and UCIs**

- (v) units of UCITS authorized according to the UCITS Directive and/or other UCIs within the meaning of article 1, paragraph (2), letters (a) and (b) of the UCITS Directive should they be situated in a Member State or not, provided that:
- such other UCIs are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured, such as UCIs which have been authorized under the laws of any Member State or under the laws of Canada, Hong Kong, Jersey, Japan, Norway, Switzerland or the United States of America;
  - the level of protection for unitholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the UCITS' or the other UCIs' assets (or of the assets of the relevant Sub-Fund), whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs.

In accordance with article 46 (3) of the 2010 Law, no subscription or redemption fees may be charged to the Company if the Company invests in Target Sub-Funds or in units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a direct or indirect holding of more than 10% of the capital or voting rights.

When a Sub-Fund invests its assets in other UCITS or UCIs or a Target Sub-Fund, the maximum level of the management fee that may be charged to both the Sub-Fund and to such other UCITS or UCI or Target Sub-Fund can be found in Appendix A in respect of each Sub-Fund.

Under the conditions set forth by the Luxembourg laws and regulations, any Sub-Fund may subscribe, acquire and/or hold shares of a Target Sub-Fund provided that:

- the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund; and
- pursuant to the investment restrictions and policy of the Target Sub-Fund, the Target Sub-Fund whose acquisition is contemplated may not invest in aggregate more than 10% of its assets in shares of other UCITS or UCIs, including another Sub-Fund; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

The Sub-Funds qualifying as Feeder, shall invest at least 85% of their assets in another UCITS or a sub-fund of a UCITS, under the conditions set forth by the Luxembourg laws and regulations and as provided for in this Prospectus.

If qualified as Feeder, a Sub-Fund may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets; and
- financial derivative instruments which may be used only for hedging purposes in accordance with the relevant provisions of the 2010 Law.

None of the Sub-Funds whose Shares are distributed in Switzerland will qualify as a Feeder.

## Deposits with Credit Institutions

- (vi) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered seat in a Member State or, if the registered seat of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law such as a credit institution which has its registered office in a country which is an OECD member State and a FATF State;

## Financial Derivative Instruments

- (vii) financial derivative instruments, including equivalent cash-settled instruments, admitted to an Official Listing or dealt in on a Regulated Market referred to in items (i) and (ii) above; and/or OTC derivatives, provided that:
- the underlying consists of instruments described in sub-paragraphs (i) to (vi), financial indices, interest rates, foreign exchange rates, or currencies, in which the Sub-Funds may invest in accordance with their investment policies,
  - the counterparties to OTC derivative transactions are only first-class counterparties that are internationally recognized financial institutions. Counterparties may not, as a rule and unless the Board resolve otherwise, have a credit rating below BBB-. Counterparties are domiciled in an OECD member State and specialized in OTC derivatives. When selecting counterparties, in addition to an analysis of credit quality and other financial aspects (including qualitative and quantitative criteria), the following criteria are taken into account: market share or specific potential, market knowledge and organization (front, collateral management, back office),
  - 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
  - collateral received in respect of OTC derivatives consists of cash in USD, GBP, EUR and CHF and of debt obligations issued by a governmental entity of a Member State or an OECD member State adjusted by the applicable margin in accordance with the table below (the "Haircut"):

### **Haircut applicable to collateral received in respect of OTC derivatives:**

Cash	0%
Debt obligations	0.75% to 10% according to the maturity of the debt obligation ( <i>i.e.</i> the longer the maturity, the higher is the applicable haircut) and to the robustness of its issuer.

- Collateral received, including cash, will not be sold, reinvested or pledged.

The collateral transferred to the Sub-Fund in the context of the activities described in this section are held by the Depositary or a sub-custodian of the Depositary for which the custody of the collateral has been delegated under the responsibility of the Depositary.

Securities collateral is diversified to ensure that a maximum exposure to a given issuer is limited to 20% of the assets. By way of derogation, the Company may be fully collateralized in securities issued or guaranteed by a Member State, one or more of its local authorities, a member State of the OECD or of the G20 or Singapore or by public international bodies of which one or more Member States are members.

Bonds received as collateral must have a maturity of less than 20 years.

The Company shall only accept highly liquid assets with not less than a daily liquidity.

Counterparties are not allowed to deliver securities (such as equities and bonds) issued by themselves or any of their subsidiaries.

The exchange of collateral is controlled and organised daily based of the exposure to OTC derivative transactions versus the valuation of the collateral adjusted by margins. Collateral is valued on a daily basis based on the mark-to-market method. All revenues arising from the activities mentioned above, net of direct and indirect operational costs, must be returned to the Company.

## Categories of Financial Derivative Instruments

The Company may use all the financial derivative instruments authorized by the Luxembourg law or by circulars issued by the CSSF and in particular, but not exclusively, the following financial derivative instruments:

- financial derivative instruments linked to equity ("Equity derivatives") such as call and put options, spread options, contracts for difference, swaps or futures contracts on securities, derivatives on equity indices, baskets or any kind of financial instruments;
- financial derivative instruments linked to commodity indices ("Commodity derivatives");
- financial derivative instruments linked to currency fluctuations ("Currency derivatives") such as forward currency contracts or call and put options on currencies, currency swaps or forward foreign exchange transactions;
- financial derivative instruments linked to interest rate risks ("Interest rate derivatives") such as call and put options on interest rates, interest rate swaps, forward rate agreements, interest rate futures contracts, swaptions whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (e.g. where future rates are set in relation to a benchmark), caps and floors whereby the seller agrees to compensate the buyer if interest rates rise above, respectively fall below a pre-agreed strike rate on pre-agreed dates during the life of the agreement in exchange of an up front premium. It should be noted that the Sub-Funds using interest rate derivatives as part of their investment strategy may have a negative duration;
- financial derivative instruments related to credit risks ("Credit derivatives"), such as credit spread derivatives, credit default swaps or total return swaps. When a Sub-Fund invests in TRS or other financial derivative instruments with similar characteristics the information required by CSSF Circular 14/592 implementing ESMA Guidelines for competent authorities and UCITS management companies (ESMA/2012/832 - revised ESMA/2014/937) can be found in Appendix A. Credit derivatives are designed to isolate and transfer the credit risk associated with a particular reference asset such as credit spread derivatives in which the payments may be made either by the buyer or the seller of the protection based on the relative credit value of two or more reference assets, or such as credit default swaps whereby one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer for their par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference price. A credit event is commonly defined as a downgrading of the rating assigned by a rating agency, bankruptcy, insolvency, receivership, material adverse restructuring of debt or failure to meet payment obligations when due. The Sub-Funds using financial derivative instruments as part of their investment strategy may enter, as buyer or seller of protection, into credit default swap transactions on eligible assets as defined in this Section 4, including on financial instruments having one or several characteristics of those eligible assets, provided that such transactions are either cash settled or result in the delivery, to the Sub-Funds, of eligible assets when a credit event occurs. In a total return swap, the buyer makes a regular payment at a variable rate, in return for all the results relating to a notional amount of a particular reference asset (coupons, interest payments, change in asset value) which accrue over a period of time agreed with the seller. The seller "transfers" to the buyer the economic performance of the reference asset, but remains the owner of the asset. Credit derivatives can carry a higher risk than direct investment in bonds. The market for credit derivatives may sometimes be more illiquid than bond markets;
- financial derivative instruments linked to inflation ("Inflation derivatives") such as inflation swaps and call and put options based on inflation and inflation swaps. Inflation swaps are derivatives whereby one party pays (or receives) a fixed payment based on expected inflation in return for the receipt (or payment) of a variable payment based on the actual realized inflation rate over the life of the instrument;
- financial derivative instruments linked to volatility ("Volatility derivatives") such as volatility swaps and call and put options based on volatility and volatility swaps. Volatility swaps are derivatives whereby one party pays (or receives) a fixed payment in return for the receipt (or payment) of a variable payment based on the realized volatility of the underlying product (exchange rate, interest rate, stock index,...) over the life of the instrument.

Additional risks associated with the use of financial derivative instruments are described in the Risk Factors Annex.

### **Strategies used for financial derivative transactions**

Financial derivative transactions may be used for one of the following strategies: for hedging purposes of the investment positions, for EPM or as part of the investment strategy of a Sub-Fund.

Transactions on derivatives entered into for hedging purposes aim to protect portfolios against market movements, credit risks, currency fluctuations, inflation risks and interest rate risks. Hedging presupposes the existence of a relation between the underlying financial instrument of the derivative and the financial instrument to be hedged.

In order to be considered for EPM, transactions on derivatives must be entered into for one or more of the following specific aims: reduction of risk, reduction of cost, or generation of additional capital or income for the Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund. Transactions entered into for EPM must be economically appropriate, which implies that they are realized in a cost-effective way. The following are some examples of financial derivative transactions entered into for EPM:

- buying of call options or selling of put options on indices, for recently created Sub-Funds or for Sub-Funds holding Cash and Cash Equivalents on a temporary basis, pending investments, provided such indices comply with the conditions mentioned in paragraph 4.2 (f) and the exposure to the underlying indices does not exceed the value of the Cash and Cash Equivalents pending investment;
- replacing, on a temporary basis and for fiscal or other economic reasons, direct investments in securities by derivative exposure to the same securities;
- proxy hedging of the Reference Currency of a Sub-Fund used to reduce the currency exposure of an investment towards a currency which is sufficiently correlated with the Reference Currency, provided that direct hedging against the Reference Currency is not possible or less advantageous for the Sub-Fund. Two currencies are sufficiently correlated (i) if they belong to the same monetary union, or (ii) if they are scheduled to belong to the same monetary union, or (iii) if one of the currencies is part of a currency basket against which the central bank for the other currency explicitly manages its currency within a band or corridor that is either stable or sloping at a predetermined rate, or (iv) if in the opinion of the Investment Manager the currencies are deemed to be sufficiently correlated;
- proxy hedging of a currency of investment of a Sub-Fund used to reduce the currency exposure of an investment towards the Reference Currency whereby the Sub-Fund sells a currency which is sufficiently correlated to the currency of investment, provided that direct hedging of the currency of investment is not possible or less advantageous for the Sub-Fund;
- cross hedging of two currencies of investment whereby a Sub-Fund sells one of the currencies of investment and purchases another currency pending investment in that currency, maintaining the total exposure of the Reference Currency unchanged.

Transactions on derivatives entered neither for hedging purposes nor for EPM may be used as part of the investment strategy. However, this has to be mentioned in the description of the Sub-Funds concerned (Appendix A) and is always subject to the limits permitted by the Investment Restrictions. The use of financial derivative instruments as part of the investment strategy may result in a higher level of leverage and increase the overall risk exposure (*i.e.* the total exposure on derivatives, portfolio and other assets) of a Sub-Fund and the volatility of its Net Asset Value.

## 4.2 Investment Limits Applicable to Eligible Assets

The following limits are applicable to the eligible assets mentioned in paragraph 4.1:

### Transferable Securities and Money Market Instruments

- (a) The Company will invest no more than 10% of the net assets of any Sub-Fund in transferable securities or money market instruments issued by the same issuer.
- (b) Moreover, where the Company, on behalf of a Sub-Fund, holds investments in transferable securities or money market instruments of any issuing body which by issuer exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 40% of the total net assets of the Sub-Fund.
- (c) The limit of 10% laid down in sub-paragraph (a) above may be increased to a maximum of 35% in respect of transferable securities and money market instruments which are issued or guaranteed by a member State of the OECD, a member State of the G20, Singapore, a Member State, by its local authorities, by public international bodies of which one or more Member States are members. Further, such securities need not be included in the calculation of the limit of 40% in sub-paragraph (b).
- (d) Notwithstanding the limits set forth under sub-paragraphs (a) and (c) above, each Sub-Fund is authorized to invest in accordance with the principle of risk spreading, up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by a member State of the OECD, a member State of the G20, Singapore, a Member State, by its local authorities, by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities

are part of at least six different issues, and (ii) the securities from any one issue do not account for more than 30% of the net assets of such Sub-Fund.

- (e) The limit of 10% laid down in sub-paragraph (a) above may be increased to a maximum of 25% in respect of certain debt securities if they are issued by credit institutions having their registered office in a Member State and which are subject, by law, to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of such debt securities, are capable of covering claims attaching to the debt securities and which, in the event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

Such debt securities need not be included in the calculation of the limit of 40% stated in sub-paragraph (b). But where the Company, on behalf of a Sub-Fund, holds investments in such debt securities of any issuing body which individually exceed 5% of the net assets of such Sub-Fund, the total of all such investments must not account for more than 80% of the total net assets of the Sub-Fund.

- (f) Without prejudice to the limits laid down in sub-paragraph (n), the limit of 10% laid down in sub-paragraph (a) above is raised to a maximum of 20% for investment in equity and/or debt securities issued by the same body when the aim of the investment policy of a given Sub-Fund is to replicate the composition of a certain equity or debt securities index which is recognized by the CSSF, on the following basis:

- 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.

This limit is 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

Securities mentioned in sub-paragraph (f) need not be included in the calculation of the limit of 40% stated in sub-paragraph (b).

#### **Units of UCITS and UCIs**

- (g) The Company may invest up to 20% of the net assets of each Sub-Fund in securities of a same UCITS or other UCI.

For the purpose of this provision, each sub-fund of a UCITS or other UCI with multiple compartments shall be considered as a separate issuer, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties.

Investments in other UCIs may not exceed 30% of the Sub-Fund's net assets.

The underlying investments held by the UCITS or other UCIs in which the Company invests do not have to be considered for the purpose of applying the investment limitations mentioned in paragraph 4.2.

Under the conditions set forth by Luxembourg laws and regulations, new Sub-Funds of the Company may qualify as "Feeder" or as "Master". A Feeder shall invest at least 85% of its net asset value in securities of a same Master or sub-fund of a UCITS. An existing Sub-Fund may convert into a Feeder or a Master subject to the conditions set forth by Luxembourg laws and regulations. An existing Feeder or Master may convert into a standard UCITS sub-fund which is neither a Feeder nor a Master. A Feeder may replace the Master with another Master. When qualifying as Feeder, reference to such qualification will be included in a given Sub-Fund's description in Appendix A. None of the Sub-Funds whose Shares are distributed in Switzerland will qualify as a Feeder.

#### **Deposits with Credit Institutions**

- (h) The Company may not invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.

## Financial Derivative Instruments

### (i) Counterparty risk exposure

The risk exposure to a counterparty of the Company in an OTC derivative transaction may not exceed 10% of the net assets of a Sub-Fund when the counterparty is a credit institution referred to above in sub-paragraph 4.1 (vi) or 5% of its net assets in other cases and shall be combined with the risk exposure to a counterparty of the Company in an EPM technique (as further described in paragraph 4.5 below). Embedded derivatives of SFIs will not be taken into account when calculating the risk exposure to a counterparty, except if the issuer of the SFI is allowed to pass the counterparty risk of underlying derivatives to the Company.

### (j) Global exposure relating to financial derivative instruments

To calculate the Sub-Fund's global exposure, the Company may apply the VaR approach or the commitment approach. The approach used for each Sub-Fund is disclosed in Appendix A in relation to a given Sub-Fund.

Where the VaR approach is used to assess a Sub-Fund global exposure, the Company can use the relative VaR approach or the absolute VaR approach. Under the relative VaR approach, the Company will ensure that the global exposure does not exceed twice the VaR of the reference portfolio mentioned in Appendix A in relation to a given Sub-Fund. The reference portfolios are used for VaR limitation purpose and not for performance measurement purpose. Under the absolute VaR approach, the Company will ensure that the absolute VaR of a Sub-Fund is not greater than 20% of its total net assets. The VaR is a statistical methodology that predicts the maximum potential loss that a Sub-Fund could make, calculated to a certain confidence level. For each Sub-Fund using the VaR approach, the VaR used (relative/absolute) as well as the reference portfolio used in case of a relative VaR, are indicated in Appendix A in relation to a given Sub-Fund.

Where the commitment approach is used, the global exposure relating to financial derivative instruments may not exceed the total net assets of a Sub-Fund. Accordingly, the total exposure associated with the investments (securities and financial derivative instruments) of the Sub-Fund may amount to 200% of the total net assets of the Sub-Fund. As borrowing is allowed up to a maximum of 10%, the total exposure can reach 210% of the total net assets of the relevant Sub-Fund.

The global exposure relating to derivatives may not exceed the total net assets of a Sub-Fund.

### (k) Concentration limits

The global exposure of the underlying assets shall not exceed the investment limits laid down under sub-paragraphs (a), (b), (c), (e), (h), (i), (n) and (o). The underlying assets of index based derivative instruments are not combined to the investment limits laid down under sub-paragraphs (a), (b), (c), (e), (h), (i), (n) and (o).

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of the above mentioned restrictions.

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

### (l) Expected leverage and risk budgets

As required by CSSF, the expected leverage is disclosed for each Sub-Fund following the VaR approach in Appendix A in relation to a given Sub-Fund. The leverage is defined as the sum of the absolute value of the notional of the financial derivative instruments held in each Sub-Fund's portfolio (excluding the investment portfolio) divided by its total net assets. Shareholders should note that the sum of notional calculation methodology does not take into account any netting and hedging arrangements a Sub-Fund may have in place. In addition, they should note that leverage per se is not an accurate risk indicator. A higher degree of leverage does not necessarily imply a higher degree of risk (whether market, credit or liquidity risks). Therefore, in their assessment of risk, investors should, not focus solely on leverage, but also consider other meaningful risk measures such as the risk budget. Investors should note that the leverage can exceed expected leverage as indicated in Appendix A in relation to a given Sub-Fund.

The risk budget of the Sub-Funds is continuously monitored through a value-at-risk (VaR) methodology with an aim to not exceed an estimated 1-month ex-ante VaR equal to the risk budget. Portfolios below their risk budget are, under normal market conditions, statistically not expected to decline by more than the risk budget over one month with a confidence interval of 99%. Risk budgets may be expressed in absolute terms (e.g. 10%) or relative to a reference portfolio (e.g. 125% of the level of the reference portfolio). Risk budgets are defined according to the risk profile of each Sub-Fund and are set lower than the regulatory limits of respectively 20% for absolute VaR and 200% for relative VaR.

(m) Sales of financial derivative instruments with physical delivery or cash settlement

The Sub-Funds may not carry out uncovered sales of financial derivative instruments.

When the derivative provides, either automatically or at the counterpart's choice, for physical delivery of the underlying financial instrument on maturity or exercise, and provided that physical delivery is common practice on the instrument concerned, the Sub-Fund must hold this underlying financial instrument as cover in its portfolio.

In cases where the underlying financial instrument of a financial derivative instrument is highly liquid, the Sub-Fund is allowed to hold exceptionally other liquid assets as cover provided that they can be used at any time to purchase the underlying financial instrument to be delivered and that the additional market risk which is associated with that type of transaction is adequately measured.

Where the financial derivative instrument is cash-settled either automatically or at the Company's discretion, the Sub-Fund is allowed not to hold the specific underlying instrument as cover. In this case, the following categories of instruments constitute an acceptable cover:

- cash;
- liquid debt instruments with appropriate safeguards (in particular, haircuts);
- other highly liquid assets, such as, but not limited to, shares of companies admitted to Official Listing on a stock exchange or dealt in a Regulated Market, recognized by the CSSF in consideration of their correlation with the underlying of the financial derivative instrument, subject to appropriate safeguards.

Are considered as "liquid" those instruments which can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market. This cash amount must be at the Sub-Fund's disposal at the maturity/expiry or exercise date of the financial derivative instrument.

**Maximum Exposure to a Single Body**

(n) The Company may not combine:

- investments in transferable securities or money market instruments issued by a single body and subject to the 10% limit by body mentioned in sub-paragraph (a); and/or
- deposits made with the same body and subject to the limit mentioned in sub-paragraph (h); and/or
- exposures arising from OTC derivative transactions undertaken with the same body and subject to the 10% respectively 5% limits by body mentioned in sub-paragraph (i)

in excess of 20% of the net assets of any Sub-Fund.

The Company may not combine:

- investments in transferable securities or money market instruments issued by a single body and subject to the 35% limit by body mentioned in sub-paragraph (c); and/or
- investments in certain debt securities issued by the same body and subject to the 25% limit by body mentioned in sub-paragraph (e); and/or
- deposits made with the same body and subject to the 20% limit by body mentioned in sub-paragraph (h); and/or
- exposures arising from OTC derivative transactions undertaken with the same body and subject to the 10% respectively 5% limits by body mentioned in sub-paragraph (i)

in excess of 35% of the net assets of any Sub-Fund.

**Eligible Assets Issued by the Same Group**

(o) Companies which are included in the same group for the purposes of consolidated accounts, as defined in Directive 83/349/EEC or in accordance with recognized international accounting rules, are regarded as a single body for the purposes of calculating the investment limits mentioned in sub-paragraph (a), (b), (c), (e), (h), (i) and (n).

(p) The Company may cumulatively invest up to 20% of the net assets of any Sub-Fund in transferable securities and/or money market instruments within the same group.



### **Acquisition Limits by Issuer of Eligible Assets**

(q) The Company will not:

- acquire shares carrying voting rights which would enable the Company to take legal or management control or to exercise significant influence over the management of the issuing body;
- own in any one Sub-Fund or the Company as a whole, more than 10% of the non-voting shares of any issuer;
- own in any one Sub-Fund or the Company as a whole, more than 10% of the debt securities of any issuer;
- own in any one Sub-Fund or the Company as a whole, more than 10% of the money market instruments of any issuer;
- own in any one Sub-Fund or the Company as a whole, (i) more than 25% of the units of the same UCITS or other UCI (all sub-funds thereof combined) or (ii) more than 25% of the units of any one sub-fund comprising the UCITS or other UCI with an umbrella structure.

The limits mentioned under third, fourth and fifth indents above may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of money market instruments or of UCITS/UCI or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above do not apply in respect of:

- transferable securities and money market instruments issued or guaranteed by a Member State or by its local authorities;
- transferable securities and money market instruments issued or guaranteed by any other Eligible State which is not a Member State;
- transferable securities and money market instruments issued or guaranteed by a public international body of which one or more Member State(s) are member(s);
- shares in the capital of a company which is incorporated under or organized pursuant to the laws of a State which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers of the State, (ii) pursuant to the law of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such Company observes in its investments policy the restrictions referred in this Prospectus;
- shares held by one or more investment companies in the capital of subsidiaries companies which, exclusively on its or their behalf carry on only the business of management, advice, or marketing in the country where the subsidiary is located, in regard to the redemption of units at the request of unitholders.

If the limits in paragraph 4.2 are exceeded for reasons beyond the control of the Company or as a result of redemption requests for Shares or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from the limits in paragraph 4.2 other than those mentioned in sub-paragraphs (i) and (p) for a period of six months following the date of their launch.

## **4.3 Liquid Assets**

The Company may hold ancillary liquid assets.

## **4.4 Unauthorized Investments**

The Company will not:

- (i) make investments in, or enter into transactions involving, precious metals and certificates involving these, commodities, commodities contracts, or certificates representing commodities;
- (ii) 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;



- (iii) carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 4.1 (iv), (v) and (vii); provided that this restriction shall not prevent the Company from making deposits or carrying out other accounts in connection with financial derivative instruments, permitted within the limits referred to above; provided further that exposure resulting from financial derivative instruments may be covered as mentioned in sub-paragraph 4.2 (k);
- (iv) make loans to, or act as a guarantor on behalf of third parties, provided that for the purpose of this restriction i) the acquisition of transferable securities, money market instruments or other financial instruments referred to in sub-paragraphs 4.1 (iv), (v) and (vii), in fully or partly paid form and ii) the permitted lending of portfolio securities shall be deemed not to constitute the making of a loan;
- (v) borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund taken at market value, any such borrowing to be from a bank and to be effected only as a temporary measure for extraordinary purposes including the redemption of Shares. In no circumstances, borrowing shall be part of the investment strategy of a Sub-Fund. However, the Company may acquire for the account of any Sub-Fund foreign currency by way of a back-to-back loan.

The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

## 4.5 Techniques and Instruments for the Purpose of EPM Relating to Transferable Securities and Money Market Instruments

In accordance with article 42 (2) of the 2010 Law and under the conditions and limits posed by article 11 of the Grand-Ducal Regulation of 8 February 2008, CSSF Circulars 08/356 and 14/592 and SFTR, the Company may, in order to generate additional income for the Company, employ techniques and instruments relating to transferable securities and money market instruments for the purpose of EPM, such techniques consisting of lending portfolio securities or repurchase agreements or reverse repurchase agreements as further detailed below. Unless indicated otherwise in the description of the investment policy of a given Sub-Fund under Appendix A, such techniques are allowed for the Sub-Fund.

At the date of this Prospectus, none of the Sub-Funds is authorized to enter into buy-sell back transactions, sell-buy back transactions, margin lending transactions and total return swaps.

The collateral transferred to the Sub-Fund in the context of the activities described hereunder are held by the Depositary or a sub-custodian of the Depositary for which the custody of the collateral has been delegated under the responsibility of the Depositary.

The net exposures (*i.e.* the exposures of the Sub-Fund less the collateral received by the Sub-Fund) to a counterparty arising from securities lending transactions or reverse repurchase/repurchase agreement transactions shall be taken into account in the 20% limit provided for in article 43(2) of the 2010 Law pursuant to point 2 of Box 27 of CESR Guidelines 10-788.

In addition, the risk exposure to a counterparty arising from EPM techniques and OTC derivative transactions (as described in paragraph 4.2 (i) above) should be combined when calculating the counterparty risk limits set forth in article 43 (1) of the 2010 Law.

The attention of investors is drawn to the General Risks (including the "Securities Lending Risk and Repurchase and Reverse Repurchase Agreement Risk") in the Risk Factors Annex.

### 4.5.1 Lending of Portfolio Securities

#### (i) General Principles

Subject to investment restriction (iv) (paragraph 4.4), the Company may lend portfolio securities either directly or through a standardized securities lending system organized by a recognised clearing institution or through a securities lending system organised by a financial institution. At the date of this Prospectus, none of the Sub-Funds is authorized to borrow securities.

The Company must ensure that the volume of the securities lending transactions is kept at an appropriate level in order to be able at all times, to meet its obligation to redeem its own Shares.

As a general rule, lending may not exceed 30% of the net assets of a Sub-Fund but the expected proportion of the Sub-Fund's net assets subject to lending usually varies from 0% to 20%.

Counterparties used for securities lending are only first-class counterparties that are internationally recognized financial institutions. Counterparties may not, as a rule and unless the Board resolve otherwise, have a credit rating below BBB-. Counterparties are domiciled in an OECD member State and specialized in securities lending. When selecting counterparties, in addition to an analysis of credit quality and other financial aspects (including qualitative and quantitative criteria), the following criteria are taken into account: market share or specific potential, market knowledge and organization (front, collateral management, back office).

The Company must further ensure that it is entitled at any time to request the return of the securities lent or to terminate the securities lending agreement.

Securities lending agreement must not result in a change of the Sub-Funds' investment policies.

Bank Lombard Odier & Co Ltd acts as securities lending agent.

(ii) Types of assets subject to lending

The type of instruments lent are all assets that are traded in a public open market such as:

- bonds (government, agencies, supranational, corporate);
- treasury bills;
- convertible bonds;
- equities; and
- ETFs.

(iii) Permitted types of collateral

The Company will receive securities as collateral through a recognized clearing institution or an independent financial institution.

The Company may receive the following as collateral:

- Bonds, T-Bills and money market instruments issued or guaranteed by a governmental entity of a member State of the OECD, or by their local authorities or by supranational institutions with EC, regional or world-wide scope with a minimum rating of AA-/AA3 and corporate bonds with a minimum rating of A-/A3; or
- equities issued by a first class issuer, included in a major local index which are admitted to an Official Listing or dealt with on a Regulated Market in a member State of the EU, in Canada, Switzerland or Norway or any other eligible securities pursuant to the CSSF Circular 08/356.

The Company will not accept cash as collateral.

The Company shall only accept highly liquid assets with not less than a daily liquidity.

Counterparties are not allowed to deliver securities (such as equities or bonds) issued by themselves or any of their subsidiaries.

Issuers from the banking and/or financial sector are ineligible.

For bonds, here are additional requirements:

- only type "straight" and "senior debt";
- residual maturity less than 20 years;
- public issue with a minimum issuance size of CHF 150 million equivalent;
- issues submitted to special and/or restrictive tax constraints are ineligible;
- price age less than 3 days.

Collateral will not be sold, reinvested or pledged.

(iv) Level of collateral

Collateral will be maintained at all times in an amount equal to 100% of the total valuation of the securities and for the duration of the loan adjusted by the applicable margin in accordance with the table below (the "Haircut"):

<b>Haircut (i.e, minimum margin)</b>		<b>Diversification per issuer</b>
Government bonds and T-Bills	at least 2%	Up to 100% in the same issuer
Supranational bonds and municipal bonds	at least 3%	Up to 10% in the same issuer
Corporate bonds	at least 4%	Up to 5% in the same issuer
Equities	at least 8%	Up to 5% in the same issuer

The exchange of collateral is controlled and organised daily based of the exposure to securities lending versus the valuation of the collateral adjusted by margins. Collateral is valued on a daily basis based on the mark-to-market method.

Collateral may not exceed 30% of the net assets of a Sub-Fund.

Collateral is blocked in favor of the Company until termination of the lending contract.

#### 4.5.2 Purchase/Sale with Right of Repurchase Option

The Company may agree to purchase/sale securities with a repurchase option. These transactions consist of the purchase or sale of securities with a clause giving the option to the seller to repurchase from the purchaser the securities at a price and time agreed amongst the two parties at the conclusion of the agreement.

The Company must ensure that it is able at any time to recall any securities under the agreement or to terminate such agreement.

#### 4.5.3 Repurchase and Reverse Repurchase Agreements

(i) General Principles

The Company may sell securities according to repurchase agreement transactions, which consist of forward transactions at the maturity of which the buyer (counterparty) has the obligation to resell the securities sold and the Company the obligation to repurchase the securities sold at a pre-agreed price. During the lifetime of a repurchase agreement, the Company will not sell the securities which are the object of the agreement before the repurchase of the securities from the counterparty has been carried out.

The Company may purchase securities according to reverse repurchase agreements transactions, which consist of a forward transaction at the maturity of which the seller (counterparty) has the obligation to repurchase the securities sold and the Company the obligation to return the securities received under the transaction. During the duration of such transaction, the Company may not sell or pledge/give as security the securities purchased through this contract, except if the Company has other means of coverage. The Company will ensure to keep the importance of purchased securities subject to a repurchase obligation at a level such that it is able at all times, to meet its obligation to redeem its own Shares.

The Company must further ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement. As a general rule, repurchase and reverse repurchase agreements may not exceed 30% of the net assets of a Sub-Fund but the expected proportion of the Sub-Fund's net assets subject to repurchase and reverse repurchase agreements usually varies from 0% to 20%.

Securities that may be purchased in reverse repurchase agreements are limited by the CSSF circular 08/356.

Counterparties used for repurchase agreement and reverse repurchase transactions are only first-class counterparties that are internationally recognized financial institutions. Counterparties may not, as a rule and unless the Board resolve otherwise, have a credit rating below BBB-. Counterparties are domiciled in an OECD member State and specialized in repurchase agreement and reverse repurchase agreement transactions. When selecting counterparties, in addition to an analysis of credit quality and other financial aspects (including qualitative and quantitative criteria), the following criteria are taken into account: market share or specific potential, market knowledge and organization (front, collateral management, back office).

(ii) Permitted types of collateral

The Company will receive only cash as collateral or securities as collateral through a recognized clearing institution or an independent financial institution.

The Company may receive cash collateral in the currency of the reverse repurchase and repurchase agreements.

The Company may receive the following securities as collateral: bonds, T-Bills and money market instruments issued or guaranteed by a governmental entity of a member State of the OECD, or by their local authorities or by supranational institutions, regional or world-wide scope with a minimum rating of AA-/A3a and corporate bonds with a minimum rating of A-/A3.

Securities collateral is diversified to ensure that a maximum exposure to a given issuer is limited to 20% of the assets. By way of derogation, the Company may be fully collateralized in securities issued or guaranteed by a Member State, one or more of its local authorities, a member State of the OECD or of the G20 or Singapore or by public international bodies of which one or more Member States are members.

Bonds received as collateral must have a maturity of less than 20 years.

The Company shall only accept highly liquid assets with not less than a daily liquidity.

Counterparties are not allowed to deliver securities (such as equities or bonds) issued by themselves or any of their subsidiaries.

Collateral received, including cash, will not be sold, reinvested or pledged.

The exchange of collateral is controlled and organised daily based of the exposure to repurchase agreement transactions versus the valuation of the collateral adjusted by margins. Collateral is valued on a daily basis based on the mark-to-market method.

(iii) Level of collateral

Collateral will be maintained at all times in an amount equal to 100% of the total valuation of the securities and for the duration of the loan adjusted by the applicable margin comprised between 0% and 7%.

Collateral may not exceed 30% of the net assets of a Sub-Fund.

Collateral received is blocked in favor of the Company until termination of the agreement.

#### 4.5.4 Costs and fees arising from EPM techniques

All the revenues arising from the EPM techniques, net of direct and indirect operational costs, must be returned to the Company.

Direct and indirect operational costs cover the remuneration of Bank Lombard Odier & Co Ltd as securities lending agent and counterparties to EPM, as well as costs of delivery and recovery of the securities subject to EPM charged by the Depositary, as further detailed in the annual report of the Company.

## 4.6 Risk Management Procedure

In accordance with CSSF Regulation 10-4, CESR Guidelines 10-788 and CSSF Circular 11/512, the Management Company employs a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund. The Management Company employs, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instrument.

## 5. DIVIDEND POLICY

The Company offers, for each Sub-Fund, Shares in the form of

- A Shares on which the Company shall not distribute any dividend and on which all net investment income and all net realised and unrealised capital gains will be accumulated and will increase the Net Asset Value of the A Shares of the relevant Sub-Fund, and/or
- D Shares on which the Company shall distribute all or substantially all (but at least 85%) of the net investment income. The dividends in respect of such D Shares are payable annually out of the income accruing during the period 1 October to 30 September. However, for certain Sub-Funds and at the discretion of the Directors, there may be, within the same class of Shares, (i) Shares with one annual dividend only and/or (ii) Shares with one or more interim dividends and/or (iii) different distributing dividend policies dictated by consideration of either certain tax legislations or regulations or local requirements of specific markets or investors-specific needs where the Sub-Funds are distributed. Annual dividends will normally be paid within two months of the year end to the holders of D Shares on the record date determined by the Directors in respect of each period. If the amount available for distribution is less than the equivalent of EUR 0.05 per Share, no dividend will be declared and the amount will be carried forward to the next period.

Except as otherwise mentioned in Appendix A in relation to a given Sub-Fund, the Company will not distribute the net realised capital gains and unrealised capital gains by way of dividend. Cash dividends remaining unclaimed on D Shares five years after their declaration will be forfeited and will revert to the relevant Sub-Fund.

## 6. MANAGEMENT, INVESTMENT MANAGEMENT AND ADVICE

The Directors are responsible for the Company's management and control, including the determination of investment policy. They have appointed Lombard Odier Funds (Europe) S.A. as the management company of the Company. The Management Company is authorised to act as fund management company in accordance with Chapter 15 of the 2010 Law. The Management Company has appointed the Dirigeants listed in the "List of Parties and Addresses", to direct and coordinate the operations of the Company and has appointed the Investment Managers listed in the "List of Parties and Addresses" to advise on investments and assume the day-to-day management of the investments of the Company.

### 6.1 Management Company and Domiciliary Agent

The Company has signed a management company agreement with the Management Company dated 22 October 2013 (the "Management Company Agreement"). Under this agreement, the Management Company was entrusted with the day-to-day management of the Company and with the responsibility to perform, directly or by way of delegation, all functions relating to the Company's investment management, administration and marketing, as well as distribution of the Company's shares. The Management Company also acts as domiciliary agent for the Company.

The Management Company was organised for an unlimited period as a société anonyme under the laws of the Grand Duchy of Luxembourg by a notarial deed dated 23 April 2010 which was published in the *Mémorial* on 20 May 2010. The latest amendments to the articles of incorporation of the Management Company became effective on 24 September 2015 and were published in the *Mémorial* on 10 November 2015. The Management Company's registered and principal office is at 291, route d'Arlon, 1150 Luxembourg. It is registered on the R.C.S. Luxembourg under No. B-152.886.

The issued capital of the Management Company is 3 million Swiss Franc (CHF 3,000,000.-), consisting of three thousand (3,000) shares in registered form with a par value of one thousand Swiss Franc (CHF 1,000.-), per share, all of which are fully paid up.

The Management Company is an indirectly wholly-owned subsidiary of Compagnie Lombard Odier SCmA.

The purpose of the Management Company is the creation, the promotion, the administration, the management and the marketing of Luxembourg and foreign UCITS, alternative investment funds ("AIFs") within the meaning of the Luxembourg law of 12 July 2013 on alternative investment funds managers ("AIFM"), as may be amended from time to time (the "AIFM Law") and other regulated funds, collective investment vehicles or other investment vehicles. More generally the Management Company may carry out any activities connected with the services it provides to investment vehicles to the furthest extent permitted by the 2010 Law, the AIFM Law and any other applicable laws and regulations. The Management Company may carry out any activities connected directly or indirectly to,

and/or deemed useful and/or necessary for the accomplishment of its object, remaining, however, within the limitations set forth in, but to the furthest extent permitted by, the provisions of the 2010 Law, the AIFM Law and any other applicable laws and regulations. The Management Company is authorised by the CSSF as a management company under Chapter 15 of the 2010 Law and as an AIFM under Chapter 2 of the AIFM Law.

The Management Company adopted a remuneration policy which is applicable to its employees (the “Employees”) and directors in accordance with applicable laws and regulations pertaining to remuneration, in particular the Luxembourg law dated 12 July 2013 on alternative investment fund managers, the 2010 Law and any applicable ESMA guidelines. The remuneration policy aims to protect the interests of the investors as well as the Management Company’s and the Lombard Odier Group’s long-term financial sustainability and compliance with regulatory obligations. The remuneration policy seeks to promote effective risk management and to prevent excessive risk-taking. The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the funds it manages, including the Company, or the investors of such funds and includes measures to avoid conflicts of interest. The total remuneration of Employees consists of two components, the fixed remuneration and the variable remuneration. Fixed remuneration and variable remuneration are appropriately balanced and the fixed component of the remuneration represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration, including the possibility to pay no variable remuneration. The performance objectives of each Employee are reviewed on an annual basis. The annual review lays down the basis for the determination of variable remuneration and possible increase in fixed remuneration. Performance criteria include a comprehensive adjustment mechanism to integrate all relevant types of current and future risks. Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit and of the overall results of the Lombard Odier Group, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on longer term performance of the funds it manages and its investment risks and that the actual payment of variable remuneration is spread over the same respective periods.

Variable remuneration is only paid out of risk adjusted profits or from sources which will not undermine the capital base of the Management Company or expose it to any risk in respect of its future capital commitments. The details of the up-to-date remuneration policy are available on the Lombard Odier Group website([www.loim.com](http://www.loim.com)). Investors may obtain, free of charge, from the Company, on written request sent to its registered office, a paper copy of the details of the Remuneration Policy.

## 6.2 Dirigeants of the Management Company

The Board of the Management Company has, with the approval of the Directors, granted a mandate to the Dirigeants mentioned under “List of Parties and Addresses” in order to supervise and coordinate the activities of the Company, in compliance with the provisions of the CSSF Regulation 10-4, and CSSF Circular 12/546. The Dirigeants shall supervise and coordinate the functions delegated to the different service providers and shall ensure that an appropriate risk management method is applied to the Company.

## 6.3 Investment Managers, Sub-Investment Managers and Investment Advisers

The Management Company has, with the agreement of the Board, appointed the Investment Managers listed in Appendix A in relation to a given sub-fund pursuant to several Investment Management Agreements to provide day-to-day discretionary investment management services for the Sub-Funds, subject to the direction of the Management Company and supervision of the Board. Several Investment Managers may be appointed for the same Sub-Fund.

Subject to the prior approval of the Management Company and without prejudice to the responsibility of the Investment Manager, the Investment Manager may appoint sub-investment managers and/or investment advisers with no discretionary asset management power.

The Investment Manager, and if applicable, the Sub-Investment Manager, appointed in relation to each Sub-Fund can be found in Appendix A.

The following entities either act as Investment Manager or Sub-Investment Manager in relation to one or more Sub-Fund:

**Aberdeen Asset Managers Limited**, authorized and regulated by the Financial Conduct Authority (FCA) of the United Kingdom, is a subsidiary of Standard Life Aberdeen PLC, a company listed on the London Stock Exchange. Aberdeen Asset Managers Limited manages PrivilEdge – Aberdeen Emerging Market All Cap. Aberdeen Asset Managers Limited has appointed Aberdeen Asset Management Asia Limited as Sub-Investment Manager of PrivilEdge – Aberdeen Emerging Market All Cap. Aberdeen Asset Management Asia Limited is regulated and supervised by the Monetary Authority of Singapore. Aberdeen Asset Managers Limited will supervise Aberdeen Asset Management Asia Limited and will remain fully responsible for Aberdeen Asset Management Asia Limited’s management decisions and

actions in respect of PrivilEdge – Aberdeen Emerging Market All Cap. For ease of reference, Aberdeen Asset Managers Limited and Aberdeen Asset Management Asia Limited are referred to collectively as "Investment Manager" in the description of PrivilEdge – Aberdeen Emerging Market All Cap.

**Ashmore Investment Management Limited**, a fully owned subsidiary of Ashmore Group plc established in 1992 and regulated by the Financial Conduct Authority (FCA) of the United Kingdom, is a United Kingdom domiciled investment management company specializing in the emerging markets asset classes. Ashmore Investment Management Limited manages PrivilEdge – Ashmore Emerging Market Local Currency Bond.

**AXA Investment Managers Paris**, a subsidiary of AXA Investment Managers, is supervised and regulated by the French Autorité des Marchés Financiers. AXA Investment Managers Paris manages PrivilEdge – AXA IM Short Duration Inflation Bond.

**BlackRock Investment Management (UK) Limited**, regulated and supervised by the Financial Conduct Authority (FCA) of the United Kingdom, is a subsidiary of BlackRock, Inc., a company listed at the New York Stock Exchange (NYSE: BLK). BlackRock Investment Management (UK) Limited manages PrivilEdge – BlackRock Emerging Market Dynamic Bond.

**Columbia Management Investment Advisers, LLC**, a subsidiary of Ameriprise Financial, Inc., was incorporated in Minnesota in 1985 and is supervised and regulated by the US Securities and Exchange Commission (SEC). Columbia Management Investment Advisers, LLC manages PrivilEdge – Columbia US Short Duration High Yield.

**Degroof Petercam Asset Management SA**, a fully owned subsidiary of the parent company Bank Degroef Petercam S.A., is supervised and regulated by the Financial Services and Markets Authority (FSMA) of Belgium. Degroef Petercam Asset Management SA manages PrivilEdge – DPAM European Real Estate.

**FIL Pensions Management**, a private unlimited company registered in England and Wales, was established in 1986 and is regulated and supervised by the Financial Conduct Authority (FCA) of the United Kingdom for the provision of investment management services. FIL Pensions Management manages PrivilEdge – Fidelity Technology. FIL Pensions Management has appointed FIL Investments International as Sub-Investment Manager of PrivilEdge – Fidelity Technology. FIL Investments International is regulated and supervised by the Financial Conduct Authority (FCA). FIL Pensions Management and FIL Investments International belong to the Fidelity International group. FIL Pensions Management will supervise FIL Investments International and will remain fully responsible for FIL Investments International's management decisions and actions in respect of PrivilEdge – Fidelity Technology. For ease of reference, FIL Pensions Management and FIL Investments International are referred to collectively as "Investment Manager" in the description of PrivilEdge – Fidelity Technology.

**Flossbach von Storch AG, established in 1998 in Germany, is an independent wealth and asset manager** regulated and supervised by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) of the Federal Republic of Germany. **Flossbach von Storch AG** manages PrivilEdge – Flossbach von Storch Global Convertible Bond.

**Franklin Templeton Investment Management Limited**, a company regulated and supervised by the Financial Conduct Authority (FCA) of the United Kingdom, is a subsidiary of Franklin Resources, Inc., a holding company listed at the New York Stock Exchange (NYSE: BEN). Franklin Templeton Investment Management Limited manages PrivilEdge – Franklin Flexible Euro Aggregate Bond.

**H2O Asset Management LLP**, established in 2010 in the United Kingdom with the aim of providing clients with the opportunity to achieve high, risk-adjusted returns with daily liquidity, is authorized and regulated by the Financial Conduct Authority (FCA) of the United Kingdom. H2O Asset Management LLP manages PrivilEdge – H2O High Conviction Bonds.

**Henderson Global Investors Limited**, a company regulated and supervised by the Financial Conduct Authority (FCA) of the United Kingdom, is a subsidiary of Janus Henderson Group Plc, a company listed on the New York Stock Exchange (NYSE: JHG) and the Australian Securities Exchange (ASX: JHG). Henderson Global Investors Limited manages PrivilEdge – Henderson Pan European Equity.

**Income Partners Asset Management (HK) Limited** is an independent asset manager established in Hong Kong in 1993 as a dedicated Asian bond manager. Its principal place of business is in Hong Kong and it is regulated by the Hong Kong Securities and Futures Commission (SFC). Income Partners Asset Management (HK) Limited manages PrivilEdge – Income Partners RMB Debt.

**JP Morgan Asset Management (UK) Limited**, regulated and supervised by the Financial Conduct Authority (FCA) of the United Kingdom, is a subsidiary of JPMorgan Chase & Co, a company listed on the New York Stock Exchange. JP Morgan Asset Management (UK) Limited manages PrivilEdge – JP Morgan Pan European Flexible Equity.

**Macquarie Investment Management Advisers**, a series of Macquarie Investment Management Business Trust, has a principal place of business in the United States of America and is regulated by the US Securities and Exchange Commission (SEC). Macquarie Investment Management Advisers manages PrivilEdge - Delaware US Large Cap Value.

**Moneta Asset Management** is a company regulated and supervised by the French Autorité des Marchés Financiers (AMF). Moneta Asset Management manages PrivilEdge – Moneta Best of France.



**NN Investment Partners B.V.**, regulated and supervised by the Dutch Authority for the Financial Markets (AFM), is a subsidiary of NN Group N.V., a company listed on the Amsterdam Stock Exchange. NN Investment Partners B.V. manages PrivilEdge – NN IP Euro Credit.

**Payden & Rygel**, established in 1983 in Los Angeles California, is an independent, privately owned investment management firm regulated and supervised by the US Securities & Exchange Commission (SEC). Payden & Rygel manages PrivilEdge – Payden Emerging Market Debt.

**PPM America, Inc.**, regulated and supervised by the US Securities & Exchange Commission (SEC), is a subsidiary of Prudential plc, a listed life insurance and financial services company (LSE: PRU) component of the FTSE 100 Index. **PPM America, Inc.** manages PrivilEdge – PPM America US Corporate Bond.

**Robert W. Baird & Co.** Incorporated, established in 1919 in Milwaukee, Wisconsin, is an independent, employee-owned international financial services firm supervised and regulated by the US Securities and Exchange Commission (SEC). Robert W. Baird & Co. Incorporated manages PrivilEdge – Baird US Aggregate Bond and PrivilEdge – Baird US Short Duration Bond.

**Sands Capital Management, L.L.C.** is an independent investment manager formed in 1992 and is organized as a limited liability company incorporated in Delaware. Its principal place of business is in the United States of America and it is regulated by the US Securities and Exchange Commission (SEC). Sands Capital Management, L.L.C. manages PrivilEdge – Sands US Growth.

**Sumitomo Mitsui Asset Management Company, Limited (SMAM)**, formed in 2002 as private limited liability company and regulated by the Financial Services Agency (FSA) in Japan, is one of the leading asset management specialists in Japan, with strong commitment to investment management of Japanese and Asia-Pacific securities. SMAM manages PrivilEdge – SMAM Japan Small and Mid Cap.

**T. Rowe Price International Ltd**, regulated and supervised by the Financial Conduct Authority (FCA) of the United Kingdom, is a subsidiary of T. Rowe Price Group, Inc., a company listed on the NASDAQ Stock Exchange. T. Rowe Price International Ltd manages PrivilEdge – T. Rowe Price European High Yield Bond.

**Wellington Management Company LLP (WMC)**. Tracing its roots to the founding of the Wellington Fund in 1928, the original WMC was incorporated in 1933. The current WMC was established in 2014 and is regulated by the US Securities and Exchange Commission (SEC). WMC manages PrivilEdge – Wellington Large Cap US Research.

**Wells Capital Management, Incorporated** was formed in 1996 and is a wholly owned subsidiary of Wells Fargo Bank, N.A., which in turn is indirectly wholly owned by Wells Fargo & Co., a publicly traded corporation which was founded in 1852. Its principal place of business is in the United States of America and it is regulated by the US Securities and Exchange Commission (SEC). Wells Capital Management, Incorporated manages PrivilEdge – WellsCap US Selective Equity.

**William Blair Investment Management, LLC** was incorporated under the laws of the United States of America and is regulated by the US Securities and Exchange Commission (SEC). William Blair Investment Management, LLC promotes and manages investment funds in the United States of America. William Blair Investment Management, LLC manages PrivilEdge – William Blair Global Leaders and PrivilEdge – William Blair US Small and Mid Cap.

## 6.4 International Advisory Boards

### Global and Sector/Thematic Equity Sub-Funds

The Board or, upon delegation, the Management Company or the Investment Managers may establish for the Global and Sector/Thematic Equity Sub-Funds Advisory Boards, whose members are, as well as certain Directors, persons who in the judgment of the Directors, are highly knowledgeable about international investments, business, political, economics, scientific or technological matters. The International Advisory Boards, whilst not participating in specific investment decisions, will consult with and advise the Management Company and Investment Managers from time to time with respect to global economic, political and business trends and developments, with regard to these Sub-Funds.

The members of the Advisory Boards will be appointed from time to time and their names will be listed on a specific document which may be consulted at the registered office of the Company.



## 6.5 Co-management

In order to reduce operational and administrative charges whilst allowing a wider diversification of the investments, the Board may decide that part or all of the assets of any Sub-Fund will be co-managed with assets belonging to other Luxembourg collective investment schemes or that part or all of the Sub-Funds will be co-managed among themselves. In the following paragraphs, the words "co-managed Entities" shall refer to any Sub-Fund and all entities with and between which there exists any given co-management arrangement and the words "co-managed Assets" shall refer to the entire assets of these co-managed Entities which are managed pursuant to the same co-management arrangements.

Under the co-management arrangement, the Management Company and the Investment Managers will be entitled to take, on a consolidated basis for the relevant co-managed Entities, investment and disinvestment decisions which will influence the composition of the Sub-Funds. Each co-managed Entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed Entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed Entity.

In case of new subscriptions in one of the co-managed Entities, the subscription proceeds shall be allotted to the co-managed Entities pursuant to the modified proportions resulting from the net asset increase of the co-managed Entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed Entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed Entities, the cash required may be levied on the cash held by the co-managed Entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed Entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Shareholders should be aware that, in the absence of any specific action by the Board or its appointed agents, the co-management arrangement may cause the composition of assets of a Sub-Fund to be influenced by events attributable to other co-managed Entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which any Sub-Fund is co-managed will lead to an increase of this Sub-Fund's reserve of cash. Conversely, redemptions made in one entity with which any Sub-Fund is co-managed will lead to reduction of this Sub-Fund's reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed Entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Board or its appointed agents to decide at any time to terminate a Sub-Fund's participation in the co-management arrangement permit this Sub-Fund to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of the Sub-Fund and of its shareholders.

If a modification of the composition of a Sub-Fund resulting from redemptions or payments of charges and expenses peculiar to another co-managed Entity (*i.e.* not attributable to such Sub-Fund) is likely to result in a breach of the investment restrictions applicable to this Sub-Fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

In order to assure that investment decisions are fully compatible with the investment policy of the Sub-Fund, co-managed Assets of any Sub-Fund shall only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed Assets of such Sub-Fund. Co-managed Assets of any Sub-Fund shall only be co-managed with assets for which the Depositary also acts as depository in order to assure that the Depositary is able, with respect to such Sub-Fund, to fully carry out its functions and responsibilities pursuant to the 2010 Law. The Depositary shall at all times keep the Sub-Funds' assets segregated from the assets of other co-managed Entities, and shall therefore be able at all times to identify the assets of the Sub-Funds. Since co-managed Entities may have investment policies which are not strictly identical to the investment policy of one of the Sub-Funds, it is possible that the common policy implemented may be more restrictive than that of the Sub-Fund.

The Dirigeants or the Board may decide at any time and without notice to terminate a co-management arrangement.

Shareholders may at all times enquire at the registered office of the Company as to the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request.

Co-management arrangements with non-Luxembourg entities shall be authorized provided that (1) the co-management agreement to which the non-Luxembourg entity is a party is subject to Luxembourg law and the jurisdiction of the Luxembourg courts, or that (2) the rights of each co-managed Entity concerned are established in such a way that no creditor, liquidator or bankruptcy curator of the non-Luxembourg entity concerned has access to the assets of the Sub-Funds or has the right to freeze them.

## 7. DEPOSITARY

The Company has, by an agreement effective as of 18 March 2016 (the "Depositary Agreement"), appointed CACEIS Bank, acting through its Luxembourg branch, CACEIS Bank, Luxembourg Branch as Depositary of the assets of the Company. The Depositary is the Luxembourg branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank ("ECB") and the *Autorité de contrôle prudentiel et de résolution* ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

The Depositary Agreement has been entered into for an unlimited period of time and may be terminated by the Company subject to a three (3) month prior notice or by the Depositary subject to a six (6) months prior notice. The Depositary will continue to hold the Company's assets until a replacing depositary is appointed.

In its function as depositary, the Depositary shall perform the duties resulting from the UCITS Rules.

The principal duties of the Depositary, as depositary, are as follows:

- (a) the safe-keeping of the assets of the Company that can be held in custody (the "Financial Instruments") including:
  - (i) financial instruments and shares or units of collective investment funds registered or held in an account directly or indirectly in the name of the Depositary or a third party or a correspondent to whom custody functions are delegated, notably at the level of the central securities depositary; and
  - (ii) financial instruments which are provided as collateral to a third party or are provided by a third party for the benefit of the Company, as long as they are owned by the Company;
- (b) the record-keeping of assets that cannot be held in custody in respect of which the Depositary must verify their ownership;
- (c) to ensure that the Company's cash flows are properly monitored, and in particular to ensure that all payments made by or on behalf of investors upon the subscription of Shares in a Sub-Fund have been received and that all cash of the Company has been booked in cash accounts that the Depositary can monitor and reconcile;
- (d) to ensure that the issue, redemption and conversion of Shares of a Sub-Fund are carried out in accordance with Luxembourg applicable laws and the Articles;
- (e) to ensure that the value of the Shares of a Sub-Fund is calculated in accordance with the UCITS Rules and the Articles;
- (f) to carry out the instructions of the Company, unless they conflict with Luxembourg applicable laws or the Articles;
- (g) to ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- (h) to ensure that the Company's income is applied in accordance with the UCITS Rules and the Articles.

In relation to the Depositary's safe-keeping duties of financial instruments referred to under (a) above, the Depositary is liable to the Company or the shareholders for any loss of such Financial Instruments held by the Depositary or any delegate.

In relation to the other depositary's duties, the Depositary is liable to the Company or the shareholders for all other losses suffered by it or them as a result of the Depositary's negligent or intentional failure to properly fulfil such obligations.

Investors are invited to consult the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary acting as depositary. Investors' particular attention is drawn to chapter IX of the Depositary Agreement.

The Depositary is authorized to delegate its safekeeping duties under Luxembourg Law to sub-custodians and to open accounts with such sub-custodians.

A list of these sub-custodians is available on the website of the Depositary ([www.caceis.com](http://www.caceis.com), section "Regulatory Watch"). Such list may be updated from time to time. A complete list of all sub-custodians may be obtained, free of charge and upon request, from the Depositary.

There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Company, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Company's and its shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

- (a) identifying and analysing potential situations of conflicts of interest;
- (b) recording, managing and monitoring the conflict of interest situations either in:
  - relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
  - implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Company, notably, administrative agency and registrar agency services.

The Depositary has neither decision-making discretion nor any advice duty relating to the Company's investments. The Depositary is a service provider to the Company and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company.

Up-to-date information regarding the above is available upon request at the registered office of the Company.

## 8. CENTRAL ADMINISTRATION, REGISTRAR, TRANSFER AGENT AND PAYING AGENT

The Management Company has, under an agreement ("Administrative Agency, Registrar and Transfer Agency and Paying Agency Agreement") appointed CACEIS Bank Luxembourg to act for the Company in Luxembourg as central administration, registrar and transfer agent and paying agent (the "Central Administration Agent").

The Central Administration Agent is the Luxembourg branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris. It is an authorised credit institution supervised by the European Central Bank ("ECB") and the *Autorité de contrôle prudentiel et de résolution* ("ACPR"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

The Central Administration Agent may delegate part or all of its functions to a third party service provider, under its responsibility.

The Central Administration Agent is entitled to receive a fee calculated in accordance with normal banking practice in Luxembourg and payable out of the assets of each Sub-Fund and based on the Net Asset Value of each Sub-Fund.

This Administrative Agency, Registrar and Transfer Agency and Paying Agency Agreement may be terminated by either party giving 3 months' prior notice under the conditions and terms of the agreement.

## 9. INDEPENDENT AUDITORS AND LEGAL ADVISERS

PricewaterhouseCoopers, société coopérative, Réviseur d'entreprises, 2, rue Gerhard Mercator, 1471 Luxembourg, Grand Duchy of Luxembourg shall act as the Independent Auditors of the Company.

The Company's legal advisers are Linklaters LLP, 35, avenue John F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg.

# 10. CHARGES AND EXPENSES

## 10.1 Initial Charge

On subscriptions for P, I, N, U and M Shares of any Sub-Fund, the Directors have determined that an Initial Charge not exceeding 5% of the Issue Price may be payable to the Global Distributor or any Distributor in remuneration of their services, including but not limited to, (i) the handling and transmission of subscription orders to the transfer agent, (ii) the settlement of subscription orders, (iii) the transmission of the relevant legal and marketing documents, at the request of investors, (iv) the controls of minimum investment amount requirements and other eligibility criteria applicable to each Sub-Fund, respectively each Share class, and (v) the processing of corporate actions.

For the R Shares of any Sub-Fund, the Initial Charge will not exceed 3% of the Issue Price.

## 10.2 Redemption Charge

There is no redemption charge payable on redemption.

## 10.3 Conversion Charge

On conversions between the different Sub-Funds the Directors have determined that the Global Distributor or any Distributor may levy a conversion charge of up to 0.50% of the value of the Shares being converted in remuneration of the services mentioned under paragraph 10.1 above in relation to the conversion. No charges will be levied in respect of shareholders wishing to change the class of their Shares.

## 10.4 Dealing Charge

### Usual Dealing Charges

In addition to the charges mentioned above, the Issue and Redemption Prices of the Shares of any Sub-Fund may be increased, respectively reduced by a Dealing Charge levied by the Company in favour of the relevant Sub-Fund, in order to mitigate the effect of portfolio transactions costs resulting from subscriptions or redemptions. In case of conversion between Sub-Funds (but not between classes of Shares within the same Sub-Fund), two Dealing Charges will be levied by the Company, the first in favour of the original Sub-Fund and the second in favour of the new Sub-Fund. The Dealing Charges, applicable at the discretion of the Directors will not exceed 3%.

When the Directors decide to make a Dilution Adjustment, as defined in paragraph 15.1, no usual Dealing Charge will be levied on the Shares nor will any class of Shares be subject to the Swinging Single Pricing.

### Discretionary Dealing Charges Imposed for Excessive Trading

The Directors are entitled to levy a discretionary dealing charge on the Shares of any Sub-Fund where they believe that excessive trading is being practiced. The Directors do not knowingly allow investments that are associated with excessive trading practices, as such practices may adversely affect the interests of all shareholders. Excessive trading includes investors whose securities transactions seem to follow a timing pattern or are characterized by excessively frequent or large trades. In case of excessive trading, the Redemption Price of the Shares will be reduced by the discretionary dealing charge, not exceeding 3% of the Redemption Price, in favor of the relevant Sub-Fund.

## 10.5 Annual Charges

### 10.5.1 Management Fee and Performance Fee

For the U, R, P, I, M and N classes of Shares, the Management Company is entitled to a Management Fee calculated and accrued at each Valuation Day by reference to the Net Asset Value of the relevant classes of Shares and Sub-Funds and payable monthly in arrears. For certain Sub-Funds the Management Company may also be entitled to a Performance Fee described hereunder.

In addition to the Management Fee, the Management Company may be entitled to a Performance Fee for certain Sub-Funds. If applicable, the calculation method is described in Appendix A in relation to a given Sub-Fund.

No Management Fees and Performance Fees are payable on the S class of Shares. Investors willing to subscribe S Shares have to enter into a remuneration agreement with the Company, the Management Company or any other entity of the Lombard Odier Group. Invoices issued by the Management Company to the Company, according to the provisions of the Management Company Agreement (see Section 6), will be paid directly by such Institutional Investor.

The Management Fee and any Performance Fee payable to the Management Company for its services in respect of the different classes of Shares of each Sub-Fund can be found in Appendix A.

When a maximum and/or minimum Management Fee is indicated, investors can find the amount of the Management Fee that was applied within the semi-annual and annual reports.

The investment advisory fees are borne by the Investment Managers.

In respect of M, N, P, R, U and I Shares, the Management Company pays the following fees out of the Management Fee:

- the investment management fees and performance fees payable to the Investment Managers; and
- if applicable, rebates.

### 10.5.2 Distribution Fee

For the services provided in the promotion of the Company's shares, described in Section 11, the Global Distributor or the Distributor is entitled to a Distribution Fee calculated and accrued at each Valuation Day by reference to the Net Asset Value of the P and R classes of Shares of the relevant Sub-Funds and payable monthly in arrears. No Distribution Fee is payable on U, I, S, M and N Shares.

The Global Distributor or the Distributor may, from time to time, rebate to local sub-distributors, sales agents, introducing brokers or to shareholders a portion or all of the fees, in accordance with all applicable laws.

The Distribution Fee payable to the Global Distributor or the Distributor for its services in respect of the P and R classes of Shares of each Sub-Fund is indicated in Appendix A.

When a maximum Distribution Fee is indicated, investors can find the amount of the Distribution Fee that was applied within the semi-annual and annual reports.

### 10.5.3 Fixed Rate of Operational Costs

For the U, R, P, I, S, M and N classes of Shares, the Company bears the fixed and variable costs, charges, fees and other expenses incurred in the operation and administration of its activities ("Operational Costs").

The Operational Costs cover expenses directly incurred by the Company ("Direct Costs") and those resulting from the activities carried out by the Management Company on behalf of the Company ("Fund Servicing Costs").

Direct Costs include notably:

- (i) Depositary, Administration, Registrar and Transfer Agent fees;
- (ii) Fees and expenses of the Company's external auditors;
- (iii) Directors fees, directors and officers insurance premiums, reasonable out-of-pocket expenses incurred by the Directors;
- (iv) Government charges;
- (v) Fees and expenses of its legal and tax advisers in Luxembourg and abroad;
- (vi) *Taxe d'abonnement* (see Section 17 for further details);
- (vii) Fees and expenses of any license/trademark used by the Company;
- (viii) Domiciliary Agent fees;
- (ix) Fees and expenses of any other service providers or officers appointed by the Company or by the Management Company on behalf of the Company.

Fund Servicing Costs, as the remaining amount of Operational Costs after deduction of the Direct Costs, include notably:

- (x) Fees related to the exercise of proxy voting;

- (xi) Costs related to the registration and maintenance of such registration in all jurisdictions (including fees charged by the relevant supervisory authorities, translation costs and remuneration of Foreign Representatives and local paying agents);
- (xii) Marketing fees, costs relating to the publication of offering/redemption prices, distribution of semi-annual and annual reports, other reporting expenses;
- (xiii) Costs related to distribution of Shares through local clearing systems when according to local practice such costs are supported by the Company;
- (xiv) Costs related to investment and performance reporting;
- (xv) Fees and expenses charged by affiliated entities of the Lombard Odier Group in relation to legal, compliance, administrative and operational services, including accounting support, provided to the Management Company for the account of the Company;
- (xvi) Fees and expenses related to the mailing/publication of notices to shareholders or any other type of communication to shareholders, regulatory authorities, service providers, etc.
- (xvii) Any other fees and expenses charged to the Company in relation to its day-to-day operations;
- (xviii) Any expenses in relation to liquidation procedures.

For the avoidance of doubt, the fees covered under items xii and xiii above are distinct from the Distribution Fee or the Initial Charge.

Other fees mentioned in paragraph 10.5.4 below such as transaction costs, stock lending charges, interest on bank overdraft and any other extraordinary fees and expenses are distinct from the Direct Costs and the Fund Servicing Costs.

To cover the Operational Costs, the Company pays to the Management Company a fixed rate of Operational Costs ("FROC") as an annual percentage of the Net Asset Value of the relevant class of Shares for each Sub-Fund.

The purpose of the FROC is to set a fixed rate of fees covering the Direct Costs and the Fund Servicing Costs which may be subject to fluctuation overtime. The FROC ensures that the Company is protected from expenses fluctuation which would not be the case had the Company chosen to pay directly such charges.

The FROC effectively paid to the Management Company (the "Effective FROC") cannot exceed the maximum FROC (the "Maximum FROC") as disclosed in the relevant Appendix.

The Effective FROC for the relevant classes of Shares for each Sub-Fund is disclosed in the semi-annual and annual reports.

Within the Maximum FROC mentioned in the relevant Appendix, the Directors reserve the right to adjust the Effective FROC from time to time. Any increase to the Maximum FROC is considered a material change and will be notified to the shareholders according to the procedure set forth in the preamble of the Prospectus. It should be noted that foreign jurisdictions where the Company may be registered might impose restrictions or additional requirements in case of a FROC increase.

In the event that the amount of the actual Operational Costs exceeds the Effective FROC for any class of Shares of any Sub-Fund, the Management Company bears the excess Operational Costs. Conversely, should the actual Operational Costs be lower than the Effective FROC for any class of Shares of any Sub-Fund, the Management Company is entitled to retain such difference.

#### 10.5.4 Other Fees

In addition to the Operational Costs described in paragraph 10.5.3 above, each class of Shares bears (i) the costs relating to certain transactions such as the costs of buying and selling underlying securities, costs charged by any financial institution or organisation in relation to swap agreements or OTC transactions, correspondent bank charges relating to delivery, receipt of securities or to foreign exchange transactions, fees relating to collateral management (including delivery or receipt of collateral) and (ii) the periodic charges related to research as mentioned in paragraph 10.5.5 below.

Furthermore, each class of Shares bears any extraordinary expenses incurred by external factors, some of which may not be reasonably foreseeable in the normal course of activity of the Company such as, without limitation, any litigation expenses (including expert opinions or appraisals) or the full amount of any tax, levy, duty or similar charge imposed on the Sub-Funds or their assets that would not be considered as ordinary expense.

The costs and expenses for the formation of the Company and the initial issue of its Shares will be amortized over a period of 5 years and borne by such Sub-Funds launched during that period of time.

The costs and expenses for the creation of any additional Sub-Fund, including fees and expenses of its legal and tax advisers in Luxembourg and abroad, will be borne by relevant the Sub-Fund and amortised over a period of up to five years.

Subject to the limitations mentioned in paragraph 4.1 (v), where a Sub-Fund invests in a UCITS or UCI or a Target Sub-Fund, the investment in the underlying funds may result in a double charging of fees and expenses, in particular a duplication of the fees payable to the custodian(s), transfer agent(s), Investment Manager(s) and other agents and, with exception of investments in a Target Sub-Fund, also subscription and redemption charges, which are generated both at the level of the Sub-Fund and of the underlying funds in which the Company invests. The maximum level of the management fee that may be charged both to a Sub-Fund and to such other UCITS or UCI or Target Sub-Fund is disclosed in Appendix A for each Sub-Fund.

#### **10.5.5 Research Commissions and Charges**

Subject to compliance by Investment Managers with applicable laws and regulations (and in particular for those Investment Managers located in the European Union, subject to compliance with MiFID II), Investment Managers and their delegates and affiliated persons may receive investment research from brokers, dealers and other third parties in connection with the management of a Sub-Fund which may be funded from either (i) transaction commissions ultimately borne by a Sub-Fund pursuant to soft commission, commission sharing and/or research charge collection arrangements with brokers, dealers and other third parties (collectively referred to as "Research Commission Arrangements"); or (ii) periodic charges made to a Sub-Fund by the Investment Manager at rates to be agreed by the Company and charged as other fees to the relevant Sub-Fund in accordance with paragraph 10.5.4. Where permitted by and subject to applicable laws and regulations, Investment Managers outside the European Union may receive research that is bundled with the trade execution services provided by a particular broker or dealer.

Investment Managers will provide reports to the Management Company with respect to the use of Research Commission Arrangements and will act at all times in the best interest of the Company, the Management Company and each relevant Sub-Fund when entering into Research Commission Arrangements or otherwise receiving research which is funded directly or indirectly by a Sub-Fund.

## **10.6 Total Expense Ratio**

The costs and commissions charged on the management of each Sub-Fund will be disclosed using the internationally recognized Total Expense Ratio (TER). The TER is calculated twice a year by dividing the total operating costs and commissions, excluding securities transaction costs (brokerage), charged on an ongoing basis to the Sub-Fund's assets by the average assets of such Sub-Fund.

The TER for the Sub-Funds will be included in the semi-annual and annual reports.

# **11. DISTRIBUTION OF SHARES**

The Company has entered into a Management Company Agreement with Lombard Odier Funds (Europe) S.A. whereby Lombard Odier Funds (Europe) S.A. is entrusted with the marketing and distribution of the Shares on a worldwide basis (the "Global Distributor"). The Global Distributor provides services in relation to the promotion of the Shares to other financial intermediaries.

The Company and/or the Global Distributor have entered into agreements with distributors, placement agents and other sales agents (the "Distributors") for the marketing and the sale of the Shares in certain OECD countries, in accordance with all applicable laws. The Global Distributor and the Distributors shall be entitled to receive the fees described under paragraphs 10.1 and 10.3 above and they may decide to rebate, from time to time, a portion or all of such fees to sub-distributors or shareholders, in accordance with all applicable laws.

For the purpose of assisting in the distribution of the Shares, the Company may decide to accept subscriptions, conversions or other orders of nominees ("Nominees") in the countries in which the Company is registered. The Nominee, and not the clients who have invested in the Company, shall be recorded in the register of shareholders and shall fall under one of the FATCA category compatible with the Company's FATCA status as "Collective Investment Vehicle" as explained in paragraph 12.2. The Nominees shall notify the Transfer Agent and either the Management Company or the Company as soon as possible in case their FATCA status changes, and in any case within 30 days of such change in a manner agreed between the Company and the Nominee.



In accordance with IML Circular 91/75, the conditions whereby:

- (i) the agreements with the Nominees shall stipulate that the client, who has invested in the Company via a Nominee, may at all times require that the Shares subscribed be transferred to his/her name in the register of shareholders; and
- (ii) investors may subscribe for Shares by applying directly to the Company without having to act through one of the Nominees;

are not applicable in the context of the Company's election for the "Collective Investment Vehicle" status under FATCA to the extent that the use of the services of a Nominee qualifying as a "participating financial institution" under FATCA is indispensable for the Company to comply with the regulatory and compelling practical reasons deriving from FATCA. However, the conditions under (i) and (ii) above may be applicable as long as the investor qualifies as an investor falling within a category of investors compatible with the Company's FATCA status of "Collective Investment Undertaking" as further detailed in paragraph 12.2.

Full details of the terms and conditions of the nominee service can be obtained from the Central Administration Agent and the local Representatives. Investors wishing to use the nominee service should provide the nominee with a correspondence address.

## 12. ISSUE AND SALE OF SHARES

### 12.1 General Provisions

Shares shall be issued at the Issue Price.

The Issue Price shall be the Net Asset Value per Share for the relevant Sub-Fund calculated in the manner set out in paragraph 15.1. On subscription of P, R, I and M Shares, the Issue Price may be increased by the Initial Charge and for certain Sub-Funds (as mentioned in Appendix A of a given Sub-Fund), by a Dealing Charge.

The latest Issue Prices are made public at the registered office of the Company.

The Issue Price shall be expressed in the Reference Currency and in the relevant Alternative Currency, in the case of Shares issued in an Alternative Currency, of the relevant Sub-Fund determined on each Valuation Day by the Central Administration Agent.

Shares can be subscribed in accordance with the Application Procedure set out in Section 20. Applications may be sent directly to the Company in Luxembourg. Investors may place orders for Shares with the Global Distributor or Distributors.

The initial minimum investment and holding amount in Shares of any one Sub-Fund is stated in Appendix A. The Board may waive the initial minimum investment and minimum holding for all classes of Shares to the extent permissible by law and regulation.

Requests for subscriptions must be received by the Company no later than the Cut-off time, as set out in the table in Appendix A in relation to a given Sub-Fund. All deals will be effected on a forward pricing basis.

Applications may be sent to the Global Distributor or the Distributor, who shall in such case transmit the substantive content thereof to the Company, or may be sent directly to the Company in Luxembourg. Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in the case of classes issued in an Alternative Currency, for value before the Payment Date (as determined in Appendix A in relation to a given Sub-Fund) to the Depositary, indicating the proper identity of the investor(s) and the relevant Sub-Fund(s) in which Shares are subscribed.

Requests for subscriptions received after the Cut-off time will be deferred to the next following Business Day.

Upon prior arrangement with the Company, encompassing a mandatory provision for the Global Distributor and the Distributors not to send any order for their own account or any order received from investors on the same day after the Cut-off time, the subscription orders received by the Company later than such Cut-off time may be accepted from the Global Distributor and the Distributors.

The Issue Price may, upon approval of the Board, and subject to all applicable laws, namely with respect to a special audit report confirming the value of any assets contributed in kind, be paid by contributing to the Company securities acceptable to the Board, consistent with the investment policy and investment restrictions of the Company. The cost of such report is borne by the shareholder requesting the subscription in kind.

Investment in any Share class is subject to the conditions mentioned in paragraph 2.2 and Appendix A in relation to a given Sub-Fund.



The Company may request from investors subscribing in classes of Shares with eligibility criteria the provision of all documents or information evidencing that they meet the relevant criteria to invest in such classes of Shares. In addition, the Company may refuse applications to invest in I, S or M Shares as long as all the required information and documents above mentioned are not in its possession or for any other appropriate reasons.

Confirmation advices will be sent to shareholders the next Business Day following execution of the subscription order or, where the confirmation is received by the Management Company from a third party, the first Business Day following receipt of the confirmation from the third party. Registered share certificates ("Registered Share Certificates") are only issued at the request of shareholders. The cost relating to the issue of Registered Share Certificates will be borne by the requesting shareholders.

Registered Share Certificates (if specifically requested by investors) shall be sent to the investors within 30 days of the relevant Valuation Day.

The Company may restrict or prevent the ownership of Shares by any person or group of persons, firm or corporate body, or may impose restrictions on the issuance of Shares of any Sub-Fund (also resulting from conversion requests) during any period, as determined by the Board.

The Company reserves the right to reject any application in whole or in part, in which event the application monies or the balance thereof will be returned forthwith to the applicant. The Company does not permit practices related to market timing and reserves the right to reject subscription and conversion orders from investors who the Company suspects of using such practices and to take the appropriate measures to protect other investors of the Company.

The applicable Cut-Off time, Valuation Day and Payment Date are set out in Appendix A in relation to a given Sub-Fund.

## 12.2 Restrictions applicable to the issue and the holding of Shares in accordance with the Company's FATCA status

Please also refer to paragraph "Regulatory Risk - United States of America" in the Risk Factors Annex for further details on FATCA.

The Company, through its Sub-Funds, qualifies as a FFI for FATCA purposes.

According to FATCA and the model 1 IGA entered into between the US and the Grand Duchy of Luxembourg, a FFI can qualify as either a "reporting" FFI or a "non-reporting" FFI.

Annex II of the IGA specifies the legal entities that can qualify as "non-reporting" FFIs on the grounds that such FFIs are deemed to pose a low risk of being used for the purposes of US tax evasion.

With a view to ensuring FATCA compliance and avoiding any punitive withholding tax (FATCA Withholding) on certain US source payments to the Company, the Sub-Funds or the shareholders, the Company has elected for a non-reporting status under the "Collective Investment Vehicle" category provided for by Annex II of the IGA.

The "Collective Investment Vehicle" status provided by Annex II of the IGA is applicable to the Company as well as every Sub-Fund as listed under "Appendix A: Sub-Funds offered for subscriptions". Any document evidencing the FATCA status of the Company shall be deemed to evidence as well that of every Sub-Fund as listed under "Appendix A: Sub-Funds offered for subscriptions".

A "Collective Investment Vehicle" status is available to investment entities (as defined by IGA) established in Luxembourg regulated as a collective investment vehicles provided that all of their interests (including shares) are held by or through:

- one or more exempt beneficial owners (as defined under FATCA and the IGA);
- Active Non-Financial Foreign Entities ("Active NFFEs", as described in the Annex I of the IGA);
- US persons which are not Specified US Persons (as defined under FATCA); or
- financial institutions that are not Nonparticipating Financial Institutions for FATCA purposes (as defined under FATCA).

The Company will make all reasonable efforts to fulfill the above requirements in order to comply with the "Collective Investment Vehicle" status under FATCA. Accordingly, (i) the Board shall have the right to reject any application by an investor that does not fall within one of the categories mentioned above; (ii) in order to maintain the Company's "Collective Investment Vehicle" FATCA status, investors shall only subscribe for and hold Shares through a financial institution falling under one of the categories mentioned above; (iii) the Board shall have the right to make proposals, including the compulsory redemption of Shares, to existing shareholders whose holding of Shares is not in compliance or became non-compliant with the above-mentioned rules in order to take necessary steps to render their holding compliant with the Company's FATCA status; and more generally (iv) the Board shall have the right to compulsorily redeem shares of any shareholder whose holding of the Shares is not in compliance with the abovementioned rules, in accordance with the Articles.

As a result, the Company shall have no direct individual investors in its register of shareholders, other than entities falling within one of the categories above. The shareholders in the register of shareholders shall notify the Transfer Agent and either the Management Company or the Company (in a manner agreed between the Company and the shareholders) if their FATCA status changes (see below paragraph 13.1 for further detail on a "change of circumstances"). Such notification should be made as soon as practicable and no later than 30 days of such change.

Investors should also refer to Section 11 of this Prospectus for more information about the rights of investors holding Shares through an intermediary or a nominee.

Investors may contact the Company, the Global Distributor or Distributors for more information about how to apply for the Shares in the context of FATCA.

## 13. REDEMPTION OF SHARES

### 13.1 General Provisions

Shares shall be redeemed at the Redemption Price.

The Redemption Price shall be the Net Asset Value per Share calculated in the manner set out in paragraph 15.1, reduced in the case of certain Sub-Funds (as mentioned in Appendix A of a given Sub-Fund), by a Dealing Charge.

The latest Redemption Prices are made public at the registered office of the Company.

Shareholders' requests for redemption of Shares must be made to the Company in writing or by telex or facsimile, confirmed in writing by no later than the relevant Cut-off time. A request duly made shall be irrevocable, except in case of and during any period of suspension or deferment of redemptions. In all other cases, the Board may approve the withdrawal of a redemption request.

In compliance with the forward pricing principle, requests for redemption received after the Cut-off time will be deferred to the next following Business Day. Upon prior arrangement with the Company, encompassing a mandatory provision for the Global Distributor and the Distributors not to send any order for their own account or any order received from investors on the same day after the Cut-off time, the redemption orders received by the Company later than such Cut-off time may be accepted from the Global Distributor and Distributors.

In case the residual value of the P, R or M Shares held by an investor in a Sub-Fund falls below the minimum holding amount mentioned in Appendix A in relation to a given Sub-Fund (equivalent in any Reference Currency of EUR 3,000 for P and M Shares and EUR 1,000 for R Shares) following a redemption request, the Company may redeem the remaining holding of the investor in the relevant Sub-Fund. In case the residual value of the I Shares or S Shares held by an investor falls below the threshold indicated in Appendix A in relation to a given Sub-Fund, the measures indicated under Conversion of Shares (Section 14) may be taken by the Company.

Should the situation arise where Shares are held by a shareholder whose status is deemed incompatible with the Company's FATCA status as "Collective Investment Vehicle" for the purpose of ensuring compliance with FATCA legislation, the Board shall have discretion to redeem such Shares in accordance with the Prospectus and the Articles.

Similarly, if there is a change of circumstances whereby a shareholder whose status under FATCA legislation was previously deemed compatible with the Company's FATCA status as "Collective Investment Vehicle" becomes no longer eligible to hold Shares, such shareholder shall notify the Transfer Agent and either the Company or the Management Company as soon as practicable and no later than 30 days of such change. A change of circumstances is to be construed broadly so as to mean any event or situation where it appears that the Company can no longer rely on the documentation, declaration, representation or information (from the shareholder or from public sources) previously relied upon in the context of FATCA compliance. Once notified or becoming aware of such change of circumstances, the Board shall have discretion to redeem the Shares in accordance with the Prospectus and the Articles in case it appears that the non-compliance status of the shareholder will not be cured, or is unlikely to be cured, within a reasonable time frame decided discretionarily by the Board, so as to fulfill at all times the requirements relating the Company's status as "Collective Investment Vehicle" under FATCA.

The value of Shares at the time of their redemption may be more or less than the shareholder's cost, depending on the market values of the assets held by the Sub-Fund at such time. The value of Shares issued of a class with an Alternative Currency will also largely depend on the currency fluctuation of the Alternative Currency towards the Reference Currency of the Sub-Fund as well as on the hedging policy used to cover this exchange risk.

At the shareholders' request, the Company may elect to make an in kind distribution, having due regard to all applicable laws and regulations and to all shareholders' interest. Such in kind distribution will be subject to a special audit report confirming the value of any assets distributed and the cost of such report is borne by the shareholder.

Shares shall be cancelled upon their redemption by the Company.

Payments will ordinarily be made in the Reference Currency before the Payment Date set out in Appendix A in relation to a given Sub-Fund, or on the date the Share Certificate(s) (if issued) have been returned to the Company, if later. For Shares issued of a class with an Alternative Currency, payments of redemption proceeds will ordinarily be made in such currency.

Receipt of the sale proceeds by the Company may, however, be delayed and the amount ultimately received may not necessarily reflect the Net Asset Value calculation made at the time of the relevant transactions because of possible fluctuations in the currency values and difficulties in repatriating funds from certain jurisdictions (see the Risk Factors Annex).

If in exceptional circumstances the liquidity of the portfolio of assets maintained in respect of the class of Shares being redeemed is not sufficient to enable the payment to be made within such a period, such payment shall be made as soon as reasonably thereafter, but without interest.

Payment of redemptions proceeds may be delayed if there are any specific statutory provisions such as foreign exchange restrictions, or any circumstances beyond the Company's control which make it impossible either to obtain payment for the sale or disposal of a Sub-Fund's assets or to transfer the redemption proceeds to the country where the redemption was requested.

Confirmation of the execution of a redemption order will be sent to the shareholder on the next Business Day following execution of the redemption order or, where the confirmation is received by the Management Company from a third party, the first Business Day following receipt of the confirmation from the third party.

## 13.2 Deferment of Redemptions

In order to ensure that shareholders who do not seek to have their Shares redeemed are not disadvantaged by the reduction of the liquidity of the Company's portfolio as a result of significant redemption applications received over a limited time frame, the Directors may apply the procedures set out below to permit the orderly disposal of securities to meet redemptions.

In case of redemption requests on any Valuation Day for more than 10% of the number of Shares relating to any Sub-Funds, the Company shall not be bound to redeem on any Valuation Day or in any period of seven consecutive Valuation Days more than 10% of the number of Shares of any Sub-Fund in issue on such Valuation Day or at the commencement of such period. Redemption may accordingly be deferred for not more than seven Valuation Days after the date of receipt of the redemption request (but always subject to the foregoing limits). In case of deferral of redemptions, the relevant Shares shall be redeemed at the Net Asset Value per Share on the Valuation Day on which the request is executed.

Excess redemptions will be deferred to the next Valuation Day when they shall be dealt with as a priority.

In case of redemption requests on any Valuation Day for more than 10% of the number of Shares in issue relating to any Sub-Fund the Company, having regard to the fair and equal treatment of shareholders, on receiving the redemption requests may elect to sell assets of that Sub-Fund representing, as nearly as practicable, the same proportion of the Sub-Fund's assets as the Shares for which redemption applications have been received compared to the total of the Sub-Fund's Shares then in issue. If the Company exercises this option, then the amount due to the shareholders who have applied to have their Shares redeemed, will be based on the Net Asset Value per Share calculated after such sale or disposal. Payment will be made forthwith upon completion of the sales and the receipt by the Company of the proceeds of sale in a freely convertible currency.

Deferment of redemptions will also apply to conversions.

## 14. CONVERSION OF SHARES

Holders of Shares of each Sub-Fund will be entitled, as long as all conditions to subscribe in Shares relating to the class of Shares of the new Sub-Fund are met, to convert (switch) some or all of their holding into Shares of another Sub-Fund by making application to the Company's Transfer Agent in Luxembourg or through the Global Distributor or a Distributor by telex, facsimile, confirmed in writing by no later than the Cut-off time on which the Shares are to be converted provided that the Directors may impose restrictions on the issuance of Shares of a Sub-Fund resulting from conversion requests during a certain period. Such application must include the following information: the name of the holder, the number of Shares to be switched (if it is not the total holding) and, if possible, the reference number on any Share of each Sub-Fund to be switched and the proportion of value of those Shares to be allocated to each new Sub-Fund (if more than one). Shares from one class may be converted into Shares of another class as long as all conditions to subscribe in the new class of Shares are met. However, conversion into a class of Shares in "seeding" form is not allowed unless otherwise decided by the Board. As indicated in paragraph 2.2, shareholders can find the classes of Shares available for each Sub-Fund in the annual and semi-annual reports of the Company and on Lombard Odier Group website ([www.loim.com](http://www.loim.com)) or can be obtained at the registered office of the Company or of the Foreign Representatives.

In case of conversion concerning Sub-Funds with different Cut-off times, the most restrictive Cut-off time shall apply to the conversion (see Appendix A in relation to a given Sub-Fund).

It should be noted that conversion of Shares cannot be made until the Company is in receipt of the relevant Share Certificate (if any).

A shareholder may request the conversion of their class of Shares into another class of Shares if the criteria described in paragraph 2.2 to invest in such class of Shares is met provided that the Directors may impose restrictions on the issuance of Shares of a Sub-Fund resulting from conversion requests during a certain period. The minimum initial investment and holding amount required for the relevant classes of Shares may have been reached after a subsequent subscription or due to market variations.

If a shareholder should request the conversion of only part of their current holding in a given class of Shares of the original Sub-Fund and such conversion would, if carried out, leave the shareholder with less than the minimum holding in respect of the class of Shares of the original Sub-Fund or the new Sub-Fund the Directors may, if they think fit, refuse the request for conversion or convert the whole of that shareholder's current holding of the original Sub-Fund.

The Company may convert the Shares with particular eligibility criteria held by an investor into Shares with no particular eligibility criteria or whose eligibility criteria are met by such investor, if such investor does not meet any more one of the criteria applying to the relevant class of Shares described in paragraph 2.2 (for example, following a request to redeem part of its holding). However, if the residual investment in a given class of Shares with particular eligibility criteria of a given Sub-Fund is reduced under the applicable minimum holding amount, by reason of market fluctuations or currency fluctuations, no conversion will be operated.

The Company will request from investors investing in a class of Shares with particular eligibility criteria the provision of all documents or information evidencing that they meet the relevant criteria to invest in such classes of Shares. In addition, the Company may refuse applications to convert into a class of Shares with particular eligibility criteria as long as all the required information and documents above mentioned are not in its possession or for any other appropriate reasons.

The basis of conversion is related to the respective Net Asset Value per Share of the Sub-Fund concerned. The Company will determine the number of Shares into which a shareholder wishes to convert his existing Shares in accordance with the following formula:

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

The meanings are as follows:

- A: the Number of Shares to be issued in the new Sub-Fund
- B: the Number of Shares in the original Sub-Fund
- C: Net Asset Value per Share to be converted
- D: Currency Conversion Factor
- E: Net Asset Value per Share to be issued
- F: Conversion Charge of up to 0.50%.

Holders of S Shares will also be charged with Dealing Charges (see paragraph 10.4) in case of conversion between Sub-Funds (but not in respect of conversions between classes of Shares within the same Sub-Fund).

The Company will provide a Share Confirmation with details of the conversion to the shareholder concerned and issue new Share Certificates, if so requested by such shareholder.

Any conversion request shall be irrevocable, except in the event of a suspension of the calculation of the Net Asset Value of the class of Shares or of the Sub-Fund concerned or deferment.

In compliance with the forward pricing principle, requests for conversions received after the Cut-off time will be deferred to the next following Business Day. Upon prior arrangement with the Company, encompassing a mandatory provision for the Global Distributor and the Distributors not to send any order for their own account or any order received from investors on the same day after the Cut-off time, the conversion orders received by the Company later than such Cut-off time may be accepted from the Global Distributor and the Distributors.

Delayed payment of redemptions (see paragraph 13.1) and deferment of redemptions (see paragraph 13.2) will also apply to conversions.

## 15. NET ASSET VALUE

### 15.1 Net Asset Value Determination

The Net Asset Value of each Sub-Fund and the Net Asset Value per Share of each Sub-Fund will be determined in the relevant Reference Currency and, for the Net Asset Value per Share, in the relevant Alternative Currency, in the case of classes issued in an Alternative Currency, on each Valuation Day, except in case of a suspension as described below.

The Net Asset Value per Share of each Sub-Fund will be calculated in respect of any Valuation Day.

If the total subscriptions or redemptions affecting all the classes of Shares of a Sub-Fund on a single Business Day come to a net capital inflow or outflow, the Net Asset Value per Share of the Sub-Fund may be increased or reduced accordingly. The maximum adjustment amounts to 1% of the Net Asset Value. Estimated transactions costs and tax charges that may be incurred by the Sub-Fund as well as the estimated bid/offer spread of the assets in which the Sub-Fund invests may be taken into account. The adjustment leads to an increase in Net Asset Value per Share if the net movements result in a rise in all Shares of the affected Sub-Fund. It results in a reduction of Net Asset Value per Share if the net movements bring about a fall in the number of Shares. This adjustment is referred to as the "Swinging Single Pricing"<sup>1</sup>. The Swinging Single Pricing will apply to each Sub-Fund individually even though part or all of its assets is co-managed with assets belonging to other Luxembourg collective investment schemes or to other Sub-Funds (see paragraph 6.5).

In addition, in exceptional market conditions, in order to avoid the dilution of the net asset value of a Sub-Fund, the Directors may make any necessary dilution adjustment to the net asset value of any Sub-Fund (a "Dilution Adjustment"). Such dilution adjustment may not exceed 3% of the Net Asset Value.

This calculation of the Net Asset Value, with the use of the Swinging Single Pricing as described above, shall be used to determine the Issue and Redemptions Prices of the Shares of each Sub-Fund.

For the Sub-Funds whose Shares of a certain class can be subscribed and/or redeemed on a weekly basis, a calculation of the Net Asset Value may occur on each Business Day for indicative or reporting purposes (if applicable), but only on each relevant weekly Valuation Day for the determination of the Issue, Redemption and Conversion Prices of the Shares of this Sub-Fund (see Sections 12 and 13).

In case different classes of Shares have been issued within a Sub-Fund, the Net Asset Value per Share of each class of Shares in the relevant Sub-Fund will be determined, on any Valuation Day, by dividing the value of the total assets of that Sub-Fund attributable to such class of Shares less the liabilities of such Sub-Fund attributable to such class of Shares by the total number of Shares, outstanding on such Valuation Day, of such class of Shares.

The assets will be valued in accordance with principles laid down in the Articles and in accordance with the Valuation Regulations.

The value of all securities which are admitted to an Official Listing or traded on any other Regulated Market is determined on the basis of the last available price of the Valuation Day on the principal market on which such securities are traded, as furnished by a pricing service approved by the Directors. If such prices are not representative of their fair value, such securities as well as any of the portfolio securities which are not so listed and all other investments, including permitted financial futures contracts and options, will be valued on the reasonably foreseeable sales prices determined prudently and in good faith.

The value of money-market instruments will be based either on market data or on valuation models including systems based on amortised costs. Where valuation models are used to value the money-market instruments, the Company will ensure that such models comply

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<sup>1</sup> Shareholders of the Company will be informed in advance of the date of implementation of the Swinging Single Pricing.

with the requirements imposed by Luxembourg law and in particular with the Circular of the CSSF 08/339 as completed by the Circular 08/380. In particular, where an amortization method is used to assess the value of money-market instruments, the Company will ensure that this will not result in a material discrepancy between the value of the money-market instrument and the value calculated according to the amortization method.

Any assets or liabilities expressed in terms of currencies other than the Reference Currency are translated into the Reference Currency at the prevailing market rate at the time of valuation.

The Net Asset Value per Share shall be rounded to four decimal places (except for JPY-denominated Shares).

The Net Asset Value per Share of each Sub-Fund as certified by a Director or by an authorized officer or representative of the Company shall be conclusive, except in the case of manifest error.

The Company shall include in the financial reports its audited consolidated accounts expressed in USD.

During the existence of any state of affairs which, in the opinion of the Directors, makes the determination of the Net Asset Value of a Sub-Fund in the designated currency either not reasonably practical or prejudicial to the shareholders of the Company, the Net Asset Value and the Issue Price and Redemption Price may be temporarily determined in such other currency as the Directors may determine.

The Issue Prices and Redemption Prices of any classes of Shares of the Sub-Funds which equal the Net Asset Value per Share in the Reference Currency and in the Alternative Currency, in the case of classes issued in an Alternative Currency, may be obtained at the registered office of the Company, at the offices of the Foreign Representatives and will be available on the Lombard Odier Group website ([www.loim.com](http://www.loim.com)). At the discretion of the Directors, but always in compliance with regulatory requirements applying in each country of registration of the Company, this information may be published daily in various newspapers and financial journals as the Directors may determine. The Directors may also freely choose different newspapers and financial journals for each class of Shares. Each P, R, S, I and M class of Shares shall be impacted by its respective costs of publication of Issue/Redemption Prices.

## 15.2 Suspension of the Calculation of the Net Asset Value, and of Issue, Redemption and Conversion of Shares

The Company may suspend the calculation of the Net Asset Value of any Sub-Fund and may suspend the issue, redemption and conversion of Shares of any relevant Sub-Fund:

- (a) during any period when the dealing of the units/shares of an investment vehicle in which any substantial portion of assets of the relevant Sub-Fund is invested or the calculation of the net asset value of such investment vehicle is restricted or suspended;
- (b) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of a Sub-Fund's investments for the time being are quoted, is closed, otherwise than for ordinary holidays, or during which dealings are substantially restricted or suspended;
- (c) during any period when a material part of a Sub-Fund's investments may not, using the standard valuation procedures, be promptly or accurately valued or is not valued at a fair market value;
- (d) during any period when the net asset value of any subsidiary of the Company may not be determined accurately;
- (e) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of the Company's assets attributable to any Sub-Fund is not reasonably practical;
- (f) during any breakdown in the means of communication normally employed in determining the price or value of any of the investments attributable to any Sub-Fund or the current prices on any market or stock exchange;
- (g) during any period when remittance of monies which will or may be involved in the realization of, or in the payment for, any investments attributable to any Sub-Fund is not possible;
- (h) during any period when, in the opinion of the Directors there exist unusual circumstances where it would be impracticable or unfair towards the shareholders to continue dealing with Shares of any Sub-Fund;
- (i) in the event of (i) the publication of the convening notice to a general meeting of shareholders the purpose of which is to propose the winding up of the Company or a Sub-Fund thereof or (ii) the decision of the Board to wind up one or more Sub-Funds;
- (j) during any relevant period when a Sub-Fund merges with another Sub-Fund or with another UCITS (or a sub-fund of such other UCITS) provided any such suspension is justified for the protection of the shareholders.



The Articles provide that the Company may suspend the issue, redemption and conversion of the Shares forthwith, upon the occurrence of an event causing it to enter into liquidation.

Shareholders having requested issue, redemption or conversion of their Shares will be notified in writing of any such suspension within seven days of their request. Shareholders will be promptly informed of the termination of such suspension by (i) a notification in the same form as the notification of the suspension described above and/or (ii) any other alternative or additional means of conveyance of information the Directors may deem more appropriate given the circumstances and the interest of the shareholders (e.g. via a website).

## 16. LIQUIDATION, COMPULSORY REDEMPTION AND AMALGAMATION OF SUB-FUNDS

- (a) The Company can be liquidated by a shareholders' decision in accordance with the provisions of the 1915 Law. The same quorum and majority requirements for the shareholders' decision shall apply in case of merger, if as a result of such merger the Company will cease to exist.
- (b) In the event that the Net Asset Value of the Company falls below USD 100 million or in case the Board deems it appropriate because of changes in the economic or political situation affecting the Company, or if the Board deems it to be in the best interests of the shareholders, the Board may, by giving notice to all holders of Shares, redeem on the Valuation Day indicated in such notice all (but not some) of the Shares not previously redeemed, at the Net Asset Value without any redemption charges. The Directors shall, after the end of the notice period, forthwith convene an extraordinary shareholders' meeting to appoint a liquidator to the Company.
- (c) In the event that the Net Asset Value of any particular Sub-Fund falls below USD 50 million or the equivalent in the Reference Currency of a Sub-Fund or if a redemption request is received that would cause any Sub-Fund's assets to fall under the aforesaid threshold, or if the Board deems it appropriate to rationalize the Sub-Funds offered to investors, or in case the Board deems it appropriate because of changes in the economic or political situation affecting the relevant Sub-Fund or if the Board deems it to be in the best interest of the shareholders concerned, the Board may, after giving notice to the shareholders concerned, to the extent required by Luxembourg laws and regulations, redeem all (but not some) of the Shares of that Sub-Fund on the Valuation Day provided in such notice at the Net Asset Value without any redemption charges. Unless the Board decides otherwise in the interest of, or in order to ensure equal treatment of, the shareholders, shareholders of the relevant Sub-Fund may continue to request redemption or conversion of their Shares free of any redemption or conversion charge, but taking into account actual realization prices of investments and realization expenses.
- (d) If a Sub-Fund qualifies as a Feeder of another UCITS or of one of its sub-funds, the merger, split or liquidation of its Master, triggers liquidation of the Feeder, unless the Board decides, in accordance with article 16 of the Articles and the 2010 Law, to replace the Master with another Master or to convert the Feeder into a standard UCITS Sub-Fund.
- (e) Termination of a Sub-Fund with compulsory redemption of all relevant Shares for other reasons than set out in the preceding paragraph, may be effected only upon its prior approval by the shareholders of the Sub-Fund to be terminated at a duly convened general meeting of the Sub-Fund concerned which may be validly held without quorum and decided by a simple majority of the Shares present or represented.

Liquidation proceeds not claimed by shareholders at the close of liquidation of a Sub-Fund will be deposited at the Caisse de Consignation in Luxembourg and shall be forfeited after thirty years.

- (f) The provision for anticipated realization costs will be accounted for in the Net Asset Value from such date as may be defined by the Board and at the latest on the date of dispatch of the notice mentioned sub-paragraphs (b), (c), (d) and (e).
- (g) In compliance with the provisions of the 2010 Law, the Board may decide to merge any Sub-Fund with another Sub-Fund or with another UCITS or a sub-fund thereof (whether established in Luxembourg or another Member State or whether such UCITS is incorporated as a company or is a contractual type fund) using any of the merger techniques set forth in the 2010 Law.
- (h) Alternatively, the Board may propose to the shareholders of any Sub-Fund to merge the Sub-Fund with another Sub-Fund or with another UCITS or a sub-fund thereof (whether established in Luxembourg or another Member State or whether such UCITS is incorporated as a company or is a contractual type fund) under the provisions of the 2010 Law. In such case, the duly convened general meeting of the Sub-Fund concerned may be validly held without quorum and may decide by a simple majority of the Shares present or represented.

- (i) In case of a merger of a Sub-Fund, the Board will give notice to shareholders concerned, as required by Luxembourg laws and regulations. Such notice shall be provided to the shareholders concerned at least thirty days before the last date for exercising their right to request the repurchase or redemption or conversion of their Shares without any charge other than those retained to meet disinvestment costs; such right shall cease to exist five working days before the date for calculating the exchange ratio referred to in article 75, paragraph (1) of the 2010 Law.
- (j) If the Board determines that it is 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 it, the reorganisation of one Sub-Fund, by means of a division into two or more Sub-Funds, may take place. This decision will be notified to shareholders as required. The notification will also contain information about the two or more new Sub-Funds. The notification will be made at least one month before the date on which the reorganisation becomes effective in order to enable the shareholders to request the redemption of their shares, free of any dealing or redemption charge, before the operation involving the division into two or more Sub-Funds becomes effective.

## 17. TAXATION

The following summary is based on the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein.

### 1) The Company

#### (a) Luxembourg

The Company is not liable for any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax. No stamp or other tax is payable in Luxembourg on the issue of Shares.

In relation to each Sub-Fund, U, P, R, I, S, M and N classes of Shares may be issued. The U, P, R, I, M and N classes of Shares are subject (except as indicated below) to a *taxe d'abonnement* of 0.05% per annum and the S class of Shares, which is restricted to Institutional Investors, is liable in Luxembourg to a *taxe d'abonnement* of 0.01% per annum, pursuant to articles 174 and following of the 2010 Law. The *taxe d'abonnement* is calculated on the Net Asset Value of the Sub-Funds represented by those Shares. Such tax shall be paid by the Company quarterly on the basis of the Net Asset Values at the end of the relevant calendar quarter.

The benefit of the 0.01% *taxe d'abonnement* is available to Institutional Investors on the basis of the Luxembourg legal, regulatory and tax provisions as these are known to the Company at the date of the Prospectus and at the time of admission of subsequent investors. However, such assessment is, for the past and for the future, subject to such interpretations on the status of an institutional investor by any competent authorities as will exist from time to time. Any reclassification made by an authority as to the status of an investor may submit the entire S class of Shares of a Sub-Fund to a *taxe d'abonnement* of 0.05% per annum.

U, P, R, I, M and N classes of Shares may be liable to the reduced 0.01% *taxe d'abonnement* if held by Institutional Investors pursuant to articles 174 and following of the 2010 Law.

No Luxembourg tax is payable on the realized or unrealized capital appreciation of the assets of the Company.

#### (b) Germany

Certain Sub-Funds are managed in accordance with the so-called partial exemption regime for equity or mixed funds under section 20 paragraph 1 of the GITL. If applicable, the criteria to be met by the Sub-Funds in order to benefit from the partial exemption regime under the GITL are set out in 21.2 Specific Information for Investors taxed in Germany.

#### (c) General

Dividends and/or interest received by the Company on its investments may be subject to non-recoverable withholding taxes in the countries of origin.

### 2) Shareholders

#### (a) Luxembourg

Shareholders are not subject to any capital gains, income, withholding, gift, estate, inheritance or other tax in Luxembourg (except for shareholders domiciled, resident or having a permanent establishment in Luxembourg).



(b) **General**

Investors should ascertain from their professional advisers the consequences of their acquiring, holding, redeeming, converting, transferring or selling shares under the laws of the jurisdictions to which they are subject, including the tax consequences and any foreign-exchange-control requirements.

**3) Automatic exchange of information in the field of taxation**

The OECD received a mandate by the G8/G20 countries to develop a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS will require Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the assets holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis. Investors in the Company may therefore be reported to the Luxembourg and other relevant tax authorities under the applicable rules.

On this basis, the Euro-CRS Directive has been adopted on 9 December 2014 in order to implement the CRS among the Member States. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 within the limit of the Member States for the data relating to calendar year 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non EU Member States; it requires agreements on a country by country basis.

Under the 2015 Law, implementing the Euro-CRS Directive, the first exchange of information is expected to be applied by 30 September 2017 for information related to the year 2016. Accordingly, the Company is committed as of 1 January 2016 to run additional due diligence process on its investors and to report, by virtue of its status of Luxembourg Reporting Financial Institution as defined by the 2015 Law, the information listed under article 4 of the 2015 Law and related to Reportable Accounts (as such term is defined under the 2015 Law) such as the identity and residence of financial account holders (including certain entities and their controlling persons), account details, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of residency of the foreign investors to the extent that they are resident of another Member State.

It is also possible that AEOI would occur at a later stage among non EU Member States.

Investors should consult their professional advisers on the possible tax and other consequences with respect to the implementation of the CRS.

## **18. DOCUMENTS AVAILABLE TO INVESTORS**

### **18.1 Documents available for inspection**

Copies of the following documents are available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company:

- (a) Management Company Agreement;
- (b) Investment Management Agreements plus amendments thereto;
- (c) Asset Allocation Agreement;
- (d) Depositary and Central Administration Agreements;
- (e) Co-management Agreements;
- (f) Agreements with Nominees;
- (g) the Articles.

The agreements under (a) to (f) above may be amended by mutual consent of the parties thereto.

## 18.2 Key investor information document

An up to date key investor information document relating to each Sub-Fund is available on the Lombard Odier Group website ([www.loim.com](http://www.loim.com)). A hard copy can be supplied to investors on request and free of charge.

## 18.3 Other documents

A summary description of the strategies for the exercise, to the exclusive benefit of the Sub-Funds concerned, of voting rights attached to instruments held in the portfolios managed by the Management Company as well as the list of applicable Payment Date as mentioned in Appendix A in relation to a given Sub-Fund are available on the Lombard Odier Group website ([www.loim.com](http://www.loim.com)).

# 19. MEETINGS, REPORTS AND INFORMATION TO SHAREHOLDERS

The annual general meeting of shareholders of the Company will be held in Luxembourg at 2.30 p.m. on the last Thursday in February in each year (or if such day is a legal holiday, on the next following Business Day). Other general meetings or special Sub-Fund meetings of shareholders may be held at such time and place as are indicated in the notices of such meetings. Notices of general meetings and other notices shall be given in accordance with Luxembourg Law.

Notices will specify the place and time of the meeting, the conditions of admission, the agenda, the quorum and voting requirements, including that the quorum and majority rules of the meeting will be determined in respect of the Shares as issued at 12.00 p.m. Luxembourg time, five days preceding such meeting. Notices of all meetings shall be sent to holders of registered Shares at their address indicated in the Share Register of the Company.

All other notices are sent to registered shareholders and, if required, are published on Lombard Odier Group website ([www.loim.com](http://www.loim.com)) and/or published in such newspapers as the Directors may determine. In the case of publication in foreign jurisdictions the Directors may apply the "home country rule" according to which a publication will be made in the relevant jurisdictions as long as such publication is required under Luxembourg law. In the absence of such requirement under Luxembourg law, the Directors may choose not to publish in foreign jurisdictions to the extent that this alternative is permitted under the local laws of the relevant foreign jurisdictions. In addition, the Directors may, given the circumstances and having regard to the interest of the shareholders, adopt complementary means of communication, including the Lombard Odier Group website ([www.loim.com](http://www.loim.com)), to ensure a prompt and more efficient information of the shareholders.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the shareholders' register of the Company. In cases where an investor invests in the Company through an intermediary investing into the Company 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 Company. Investors are advised to take advice on their rights.

The financial period of the Company ends on 30 September of each year. The first audited financial period will start on the date of incorporation of the Company and will end on 30 September 2014. The annual report containing the audited consolidated financial accounts expressed in USD of the Company in respect of the preceding financial period will be made available at the registered office of the Company at least 15 days before the annual general meeting. Unaudited semi-annual reports as at 31 March will be made available within two months of the end of the relevant date. Copies of all financial reports will be available at the registered office of the Company and from the Foreign Representatives.

The Directors may, at their discretion, decide that information regarding the Sub-Funds investments may be available for some or all investors of the Company. If this information is only provided to some investors, the Directors will ensure that (i) such investors need the information to comply with legal, regulatory, tax or other mandatory requirements, (ii) investors will keep the information confidential and (iii) investors will not use the information to take advantage of the expertise of the Investment Managers of the Company.

In compliance with the provisions of the 2010 Law, CSSF Regulation 10-4 and CSSF Circular 12/546, the Management Company has implemented and maintains effective certain procedures and strategies including:

- a procedure for the reasonable and prompt handling of complaints received from shareholders: in this context, shareholders are given the opportunity to file complaints free of charge, in the official language(s) of their country of residence, to their respective local representatives or directly to the Management Company using the addresses and contact details provided in Section 1; the latter will take care of handling of clients complaints in the most diligent, transparent and objective manner possible;

- strategies for the exercise, to the exclusive benefit of the Sub-Funds concerned, of voting rights attached to instruments held in the portfolios managed by the Management Company: a summary description of these strategies are available on the Lombard Odier Group website [www.loim.com](http://www.loim.com) and the details of the actions taken on the basis of those strategies can be supplied free of charge to investors upon request made to the Management Company;
- inducements: the essential terms of the arrangements relating to the fees, commissions or non-monetary benefits, the Management Company may receive in relation to the activities of investment management and administration of the Fund are disclosed in this Prospectus and/or in periodic reports, as the case may be. Further details can be supplied free of charge to investors upon request made to the Management Company; and
- procedures relating to the management of conflicts of interest - details of this procedure is available on the Lombard Odier Group website ([www.loim.com](http://www.loim.com)).

## 20. APPLICATION PROCEDURE

Provided the conditions set forth in paragraph 12.2 are fulfilled, application may be made by investors in accordance with either of the methods described below:

- (a) written application to the Company in Luxembourg c/o its Transfer Agent:

CACEIS Bank, Luxembourg Branch  
 5, allée Scheffer  
 2520 Luxembourg  
 Grand Duchy of Luxembourg  
 Telephone Number: (352) 47 67 59 99  
 Facsimile Number: (352) 47 67 70 63, or

- (b) written application to the Global Distributor or any Distributor containing the required information.

The initial minimum investment in Shares is stated in the Appendix A.

In compliance with the forward pricing principle, written applications must be received by the Company not later than the Cut-off time (see Appendix A in relation to a given Sub-Fund). Written applications must be accompanied by either a Bankers draft or a notification of a completed Swift transfer form, except otherwise agreed in writing with the Company. All deals will be effected on a forward pricing basis. Payment of the Issue Price must be made in full for value before the Payment Date mentioned in Appendix A in relation to a given Sub-Fund, except otherwise agreed in writing with the Company. Other methods of payment are subject to the prior agreement by the Company. The allotment of Shares is conditional upon receipt by the Depository of cleared monies within the time limit mentioned under "Payment Date" in Appendix A in relation to a given Sub-Fund (or within such deadline previously agreed with an investor). If timely settlement is not made, an application may lapse and be cancelled.

Shares can only be held by or through FATCA compliant financial institutions listed in paragraph 12.2.

Payment should be made in the Reference Currency or the Alternative Currency, in the case of classes issued in an alternative currency, of the relevant Sub-Fund in which Shares are subscribed by a telegraphic transfer in favor of CACEIS Bank, Luxembourg Branch on the following accounts:

**USD** JP Morgan Chase  
 Swift code: CHASUS33  
 Account Name: CACEIS Bank, Luxembourg Branch  
 Account Number: 796706786  
 Chips number: 0002  
 ABA number: 021000021

**EUR** Direct via TARGET II  
 Swift code: BSUILULLXXX  
 Account Name: CACEIS Bank, Luxembourg Branch

<b>GBP</b>	HSBC Bank Plc, International Swift code: MIDLGB22 IBAN: GB63MIDL40051535210915 Sort Code: 40-05-15 Account Number: 35210915 - CACEISBL
<b>JPY</b>	Bank of Tokyo-Mitsubishi UFJ, Tokyo Swift code: BOTKJPJT Account Number: 653-0418285
<b>CHF</b>	UBS Zürich Swift code: UBSWCHZH80A Account Number: 02300000060737050000Z IBAN: CH540023023006073705Z
<b>HKD</b>	Standard Chartered Bank, Hong Kong Swift code: SCBLHKHH Account Number: 44709404622
<b>SEK</b>	Skandinaviska Enskilda Banken Swift code: ESSESESS Account Number: 52018532790 IBAN: SE5350000000052018532790
<b>NOK</b>	Nordea Bank Norge Swift code: NDEANOKK Account Number: 60010209253 IBAN: NO4560010209253
<b>CAD</b>	Canadian Imperial Bank of Commerce Swift code: CIBCCATT Account Number: 1811118
<b>AUD</b>	Westpac Banking Corporation Intl Div. Swift code: WPACAU2S Account Number: AIS0020979
<b>CNH</b>	HSBC Hong Kong Limited Swift code: HSBCHKHH Account Number: 848-028213-209

indicating the proper identity of the applicant(s) and the name of the relevant Sub-Fund in which Shares are subscribed.

## 20.1 Applications and Confirmations

- (i) A corporation must execute any application under its common seal or under the hand of a duly authorized officer whose capacity should be stated;
- (ii) if any application or confirmation is signed by proxy, the power of attorney must accompany the application;
- (iii) notwithstanding i) and ii) above, an application signed by a bank or any other person on behalf of, or purportedly on behalf of, a corporation may be accepted.

## 20.2 General

The Company reserves the right to reject, at its sole discretion, any subscription request for Shares and to accept any application in part only.

The Directors may, at any time and in their discretion, impose restrictions on the issuance of Shares of a Sub-Fund (also resulting from conversion requests) for any period of time. In addition, the Directors may, in their discretion, decide to apply such restrictions to all investors or a determined category of investors. In these cases, the investors whose subscription request has been rejected will be properly informed.

Similarly, the Directors may, at any time and in their discretion, revoke totally or partially any restrictions taken by virtue of the preceding paragraph. In such event, the public may be informed by way of a publication on the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) of the decision taken by the Board in this respect.

If any application is not accepted in whole or in part, the application monies or the balance thereof will be posted forthwith to the applicant, at the risk of the person(s) entitled thereto.

The Company reserves the right to withhold Share Certificates and, if applicable, any excess application monies pending clearance of the application monies.

The applicant must provide the Global Distributor, the Distributor or the Central Administration Agent with all necessary information which the Global Distributor, the Distributor or the Central Administration Agent may reasonably require to verify the identity of the applicant and his/her eligibility to subscribe or hold Shares. Applicant is required to provide evidence of its status under FATCA by means of any relevant tax documents, such as a "W-8BEN" form of the US Internal Revenue Service (or an equivalent acceptable form, document or certification) that must be renewed on a regular basis according to applicable regulation and/or a global intermediary identification number as the case may be. Failure to do so may result in the Company refusing to accept the subscription for Shares in the Sub-Funds. The Company shall not be held liable for the consequences arising from any delay or rejection of a subscription order resulting from the applicant's failure to produce satisfactory information or documents in a timely fashion.

Applicants must indicate whether they invest on their own account or on behalf of a third party. Investments in Shares with particular eligibility criteria are subject to the conditions mentioned in paragraph 2.2. The Company may request from investors subscribing in Shares with particular eligibility criteria the provision of all documents or information evidencing that they meet the relevant criteria to invest in such classes of Shares. In addition, the Company may refuse applications to invest in Shares with particular eligibility criteria as long as all the required information and documents abovementioned are not in its possession or for any other appropriate reasons.

Except for companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, any applicant applying in its own name is obliged to submit to the Global Distributor, the Distributor or the Central Administration Agent all necessary information which the Global Distributor, the Distributor or the Central Administration Agent may reasonably require to verify the identity of the applicant and in the case of it acting on behalf a third party, of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Global Distributor, the Distributor or the Central Administration Agent prior to the occurrence of any change in the identity of any such beneficial owner. Also, such applicant hereby undertakes that it will notify the Transfer Agent and either the Company or the Management Company of a change of circumstances as further explained in paragraph 13.1 in the manner agreed between the Company and the applicant or disclosed in the Prospectus.

## 20.3 Key investor information document

According to the 2010 Law, the key investor information document must be provided to investors in good time before their proposed subscription for Shares.

Before investing, investors are invited to visit the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) and download the relevant key investor information document prior to his/her application. The same diligence is expected from the investor wishing to make additional subscriptions in the future since updated versions of the key investor information document will be published from time to time.

In case of written applications made directly to the Company in Luxembourg c/o its Transfer Agent, the Company and/or its Transfer Agent may require confirmation from the investor that he/she has consulted the relevant key investor information document before subscription.

The above shall apply *mutatis mutandis* in case of conversion.

## 20.4 Personal Data

Shareholders are informed that their personal data (as defined in the 2002 Law) given in the subscription documents or otherwise in connection with an application to subscribe for Shares, as well as details of their shareholding, will be stored in digital form as well as in hard copies and processed in compliance with the provisions of the 2002 Law.

By virtue of article 3 of the 2015 Law (see Section 17 / 3. Automatic exchange of information in the field of taxation) shareholders are also informed that by virtue of the 2015 Law, the Company will gather and report personal information targeted by and in compliance with the 2015 Law. Pursuant to article 26 of the 2002 Law, the Company informs the shareholders that:

- the Company is responsible for the treatment of personal data related to them;
- the personal data is gathered with a view to complying with the 2015 Law and serving its purpose;
- the data will be communicated to the Luxembourg tax authorities as well as to the authority of a Jurisdiction Subject to Reporting (as such term is defined in the 2015 Law);
- answer to questions asked by the Company or its delegate/agent is mandatory and, failing to provide the appropriate answer, the Company may reject any order submitted by the shareholders or proceed to the compulsory redemption of the Shares held by the shareholders;
- the shareholders concerned by the above measures have a right to access the data communicated to the Luxembourg tax authority and rectify such data.

Shareholders must also be aware that telephone conversations with the Management company, the Depositary and the Central Administration Agent may be recorded. Recordings are considered as personal data and will be conducted in compliance with the 2002 Law. Recordings may be produced in court or other legal proceedings with the same value in evidence as a written document.

Shareholders have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete.

The personal data shall not be held for longer than necessary with regard to the purpose of the data processing. The personal data shall be stored during the time required by law.

Pursuant to articles 18 and 19 of the 2002 Law, shareholders are giving their express consent to the transfer, if applicable, of their data to a third country, which may or may not ensure an adequate level of protection. Reasonable measures are taken to ensure confidentiality of the data transmitted.

The provision of personal data in relation to shareholders is required to enable the Management Company, among others, to fulfill the services required by shareholders and to comply with its legal and regulatory obligations. By completing and returning an application form, shareholders consent to the processing of personal data by the Management Company, any other member of the Group of the Management Company and any other parties which assist the Management Company with undertaking its duties.

Investors should be aware that their personal data may be disclosed to the Management Company and any other companies affiliated to the Management Company for the purpose of developing and processing a business relationship with the shareholders.

Investors should be aware that their personal data will be disclosed to CACEIS Bank, Luxembourg Branch and may be disclosed to any other member of the CACEIS Group and other parties which assist CACEIS Bank, Luxembourg Branch with undertaking its duties to the Company.

## 21. SPECIFIC INFORMATION FOR INVESTORS IN FOREIGN COUNTRIES

### 21.1 Specific Information for Investors in France

For investors in France, PrivilEdge – Henderson Pan European Equity, PrivilEdge – JP Morgan Pan European Flexible Equity and PrivilEdge – Moneta Best of France (each a "PEA Eligible Sub-Fund") are eligible investments for a PEA (Plan d'épargne en actions). This means a PEA Eligible Sub-Fund has at least 75% of its Net Asset Value invested in the equity of corporate issuers with their registered office in an EEA country.

The Directors reserve the right to cease managing a PEA Eligible Sub-Fund according to PEA requirements should they determine that maintaining the PEA compliance status of a PEA Eligible Sub-Fund would (i) no longer enable the PEA Eligible Sub-Fund to comply with its investment objectives, (ii) not be in the interests of the shareholders in the PEA Eligible Sub-Fund or (iii) be impractical due to changing market conditions. Should the Directors decide to cease managing a PEA Eligible Sub-Fund so it is eligible for investment through a PEA, the Directors will notify the registered shareholders resident in France at least one month in advance of the relevant PEA Eligible Sub-Fund ceasing to be managed to be eligible for investment through a PEA.

## 21.2 Specific Information for Investors taxed in Germany

Certain Sub-Funds are managed in accordance with the so-called partial exemption regime for equity or mixed funds under section 20 paragraph 1 of the GITL. This means that these Sub-Funds invest permanently at least 51% ("Equity Fund") or 25% ("Mixed Fund") of their Net Asset Value in equity participations (the "Equity Participation Ratio").

For the purpose of maintaining the Equity Participation Ratio of such Sub-Funds, "equity participations" include:

- (1) shares of companies (excluding depository receipts) that are admitted to an Official Listing or dealt in on a Regulated Market; and/or
- (2) shares of companies other than a real estate companies which are (i) having their registered office in a Member State, and where they are subject to, and not exempt from, corporate income tax or (ii) having their registered office in a non-Member State and subject to corporate income tax of at least 15%; and/or
- (3) units of UCITS or UCIs not organized as partnerships, which qualify themselves as an Equity Funds or Mixed Funds provided that they either (i) invest permanently at least 51%, respectively 25 % of their net asset values in equity participation in accordance with their offering or constitutive documents or (ii) report their Equity Participation Ratio on a daily basis.

For the purpose of the computation of the Equity Participation Ratio of a Sub-Fund investing in Equity Funds or Mixed Funds, the equity participations of the Sub-Fund in relation to its investment in each Equity Fund or Mixed Fund is capped at 51%, respectively 25%, of the Sub-Fund's investment in the relevant Equity Fund or Mixed Fund.

Except in cases mentioned above in paragraph (3), units of a UCITS or UCIs are not considered as equity participations.

For the avoidance of doubt, portfolio securities lent by the Sub-Funds in accordance with paragraph 4.5.1. are not taken into account for the purposes of computing the Equity Participation Ratio.

When a Sub-Fund qualifies as an Equity Fund or Mixed Fund, this will be disclosed in Appendix A in relation to a Sub-Fund.





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# APPENDIX A: SUB-FUNDS OFFERED FOR SUBSCRIPTIONS

## 1. PrivilEdge – William Blair Global Leaders

### Investment Objective and Policy

A Sub-Fund invested at least 90% of its portfolio in equity securities issued by companies worldwide and selected by the Investment Manager for their expected superior growth and profitability. Up to 10% of the portfolio may be invested in other securities.

Discretion will be used with the selection of markets (including Emerging Markets), currencies, sectors and size of companies.

The Investment Manager may invest up to 40% of the portfolio in aggregate in small caps companies (as considered in their respective markets) and in companies incorporated or exercising a prominent part of their business activities in the developing world. Securities may be denominated in local currencies.

The Sub-Fund may (i) in normal market conditions and in accordance with the applicable diversification rules, hold on a temporary and ancillary basis up to 15% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS) and (ii) hold up to 10% of its net assets in UCIs.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the MSCI ACF World ND USD for reporting or indicative purposes only.

The use of SFIs is described in paragraph 3.1.

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.**

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	R	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	R	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	Equivalent of EUR 1,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.25%	0.25%	0.25%	0.44%	0.44%	0.57%	0.13%
Management Fees	Up to 0.70%	Up to 0.85%	Up to 1.00%	Up to 1.10%	Up to 1.10%	Up to 1.10%	N/A
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.70%	Up to 1.55%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

William Blair Investment Management, LLC

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 2. PrivilEdge – Wellington Large Cap US Research

### Investment Objective and Policy

The Investment Manager invests at least 80% of the Sub-Fund's net assets in equity securities issued by companies incorporated or exercising a prominent part of their business activities in the United States of America.

Up to 10% of the Sub-Fund's net assets may be invested in non-US equity and equity-related securities, which may be denominated in currencies other than the US dollar. All securities must be listed on a US exchange.

It is the intention of the Investment Manager to build a broadly diversified portfolio with generally more than 100 companies, selecting securities through a bottom-up analysis, emphasizing those with above-average capital appreciation potential and favoring large caps companies, as considered in the US market, at the time of purchase.

The Investment Manager will use its discretion with regard to the selection of sectors, markets (including Emerging Markets) and currencies (including Emerging Market currencies).

The Sub-Fund may invest up to 10% of its net assets in ETFs or closed-end REITs who are listed on regulated stock-exchanges.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the S&P 500 ND USD for reporting or indicative purposes only.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents).

The use of SFIs is described in paragraph 3.1.

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.**

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	R	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	R	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	Equivalent of EUR 1,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP
Maximum FROC	0.25%	0.25%	0.25%	0.44%	0.44%	0.57%	0.13%
Management Fees	Up to 0.45%	Up to 0.60%	Up to 0.75%	Up to 0.85%	Up to 0.85%	Up to 0.85%	N/A
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.65%	Up to 1.55%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

Wellington Management Company LLP

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

### Cut-off time

Cut-off time <sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)	Valuation Day <sup>2</sup> ("T")	Payment Date (Subscriptions and Redemptions)
12 noon on T day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

### 3. PrivilEdge – Sands US Growth

#### Investment Objective and Policy

A Sub-Fund invested, at least 80% of its portfolio, in equity securities issued by companies incorporated or exercising a prominent part of their business activities in the United States of America. Up to 20% of the portfolio may be invested in other securities.

It is the intention of the Investment Manager to select securities that have above-average potential for revenue or earnings growth based on the Investment Manager's assessment of their prospects for future growth and profitability and to favour large cap companies, as considered in the US market, at the time of purchase.

Discretion will be used with the selection of sectors, markets (including Emerging Markets) and currencies.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the Russell 1000 Growth for reporting or indicative purposes only.

The Sub-Fund may (i) in normal market conditions and in accordance with the applicable diversification rules, hold on a temporary and ancillary basis up to 15% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS) and (ii) hold up to 10% of its net assets in UCIs.

The use of SFIs is described in paragraph 3.1.

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.**

#### Reference Currency

USD

#### Classes of Shares available for subscription

Classes	U	I	N	M	P	R	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	Equivalent of EUR 1,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.



Classes	U	I	N	M	P	R	S
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.25%	0.25%	0.25%	0.44%	0.44%	0.57%	0.13%
Management Fees	Up to 0.70%	Up to 0.85%	Up to 1.00%	Up to 1.10%	Up to 1.10%	Up to 1.10%	N/A
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.70%	Up to 1.55%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Notwithstanding any performance fee that may be levied in addition to this limit.

## Investment Manager

Sands Capital Management, L.L.C.

## Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

Cut-off time <sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)	Valuation Day <sup>2</sup> ("T")	Payment Date (Subscriptions and Redemptions)
12 noon on T day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 4. PrivilEdge – Delaware US Large Cap Value

### Investment Objective and Policy

A Sub-Fund invested, at least 80% of its portfolio, in equity securities issued by companies incorporated or exercising a prominent part of their business activities in the United States of America that, at the time of investment, have a market capitalization within the range of the market capitalization of companies in the Russell 1000® Value Index. Up to 20% of the portfolio may be invested in other securities.

The Investment Manager follows a value-oriented investment philosophy in selecting stocks for the Sub-Fund using a research-intensive approach that considers factors such as: a security price that reflects a market valuation that is judged to be below the estimated present or future value of the company; favorable earnings prospects and dividend yield; the financial condition of the issuer; and various qualitative factors.

Discretion will be used with the selection of sectors, markets (including Emerging Markets) and currencies.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the Russell 1000 Value for reporting or indicative purposes only.

The Sub-Fund may (i) in normal market conditions and in accordance with the applicable diversification rules, hold on a temporary and ancillary basis up to 15% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS) and (ii) hold up to 10% of its net assets in UCIs.

The use of SFIs is described in paragraph 3.1.

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.**

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	R	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	R	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	Equivalent of EUR 1,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.25%	0.25%	0.25%	0.44%	0.44%	0.57%	0.13%
Management Fees	Up to 0.45%	Up to 0.60%	Up to 0.75 %	Up to 0.85%	Up to 0.85%	Up to 0.85%	N/A
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.65%	Up to 1.55%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Notwithstanding any performance fee that may be levied in addition to this limit.

## Investment Manager

Macquarie Investment Management Advisers, a series of Macquarie Investment Management Business Trust

## Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
12 noon on T day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 5. PrivilEdge – WellsCap US Selective Equity

### Investment Objective and Policy

A Sub-Fund invested, at least 75% of its portfolio, in equity securities issued by companies incorporated or exercising a prominent part of their business activities in the United States of America. Up to 25% of the portfolio may be invested in other equity and equity-related securities.

It is the intention of the Investment Manager to select securities that have favourable price to value characteristics based on the Investment Manager's assessment using a fundamental, bottom-up research process.

Discretion will be used with the selection of sectors, markets (including Emerging Markets), currencies and market capitalisation.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the Russell 2000 for reporting or indicative purposes only.

The Sub-Fund may (i) in normal market conditions and in accordance with the applicable diversification rules, hold on a temporary and ancillary basis up to 15% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS) and (ii) hold up to 10% of its net assets in UCIs.

The use of SFIs is described in paragraph 3.1.

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy Yes

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.**

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	R	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	Equivalent of EUR 1,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.

Classes	U	I	N	M	P	R	S
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.25%	0.25%	0.25%	0.44%	0.44%	0.57%	0.13%
Management Fees	Up to 0.80%	Up to 1.00%	Up to 1.10%	Up to 1.20%	Up to 1.20%	Up to 1.20%	N/A
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.75%	Up to 1.55%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Notwithstanding any performance fee that may be levied in addition to this limit.

## Investment Manager

Wells Capital Management, Incorporated

## Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

## Cut-off time

Cut-off time <sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)	Valuation Day <sup>2</sup> ("T")	Payment Date (Subscriptions and Redemptions)
12 noon on T day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 6. PrivilEdge – Income Partners RMB Debt

### Investment Objective and Policy

A Sub-Fund invested, at least two-thirds (2/3rds) of its assets, in bonds, other fixed or floating-rate debt securities, commercial deposits and short-term debt securities issued or guaranteed by sovereign or corporate entities incorporated in Emerging Markets or developed markets and denominated in offshore (CNH) and onshore (CNY) RMB. The Sub-Fund may be fully invested in bonds of CIBM, notably through the Bond Connect. In the absence of RMB denominated instruments, USD-denominated securities of corporate entities operating in Asia may be used, but currency exposure will be swapped back into offshore RMB (CNH) so as to respect the 2/3rds ratio mentioned above. Up to one-third (1/3rd) of the Sub-Fund's assets may be invested in (i) debt securities denominated in other currencies (including Emerging Market currencies), (ii) Coco Bonds (up to 10% of the Sub-Fund's assets) and/or (iii) convertible bonds.

The debt securities graded below BBB or equivalent by the rating agencies described in paragraph 3.2 or of equivalent quality in the opinion of the Investment Manager may not represent more than 30% of the Sub-Fund's assets.

The Investment Manager will use its discretion with regard to sectors, geographical exposure (in particular, the Sub-Fund may be fully invested in Emerging Markets), currencies and maturity of the portfolio.

The investment approach applied by the Investment Manager to select securities is mainly based on a fundamental analysis of issuers. In addition, the Investment Manager may also apply other qualitative and/or systematic strategies.

The Sub-Fund may be fully invested, in accordance with the applicable diversification rules, in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents) when, for instance, the Investment Manager considers that the Sub-Fund should be positioned in a defensive way.

The Sub-Fund may hold up to 10% of its net assets in UCIs.

The use of SFIs is described in paragraph 3.1.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular, but not limited to credit (including CDS), interest rate and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy Yes

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund, including the Currency Risk, the Liquidity Risk and the Contingent Convertible Bonds Risk. While the Currency Risk refers to the possible consequences of control measures that may be taken by the People's Republic of China in relation to the exchange rate of the RMB and its convertibility (from offshore RMB to onshore RMB), the Liquidity Risk stems from inter alia disruption or suspension of markets where offshore RMB bonds may be traded.** The Investment Manager closely monitors these factors and utilizes tools (such as a time horizon for the liquidation of certain positions as well as the determination of concentration limits per sectors, issuers and issues) to take appropriate actions accordingly. Please have regard also to the risk factor "Emerging Market Risk" / "CIBM".

### Reference Currency

USD

## Classes of Shares available for subscription

Classes	U	I	N	M	P	R	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	Equivalent of EUR 1,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.25%	0.25%	0.25%	0.45%	0.45%	0.60%	0.15%
Management Fees	Up to 0.50%	Up to 0.60%	Up to 0.70%	Up to 0.80%	Up to 0.80%	Up to 0.80%	N/A
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.45%	Up to 1.55%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

Income Partners Asset Management (HK) Limited

### Approach used to calculate the global exposure of the Sub-Fund

Commitment



## Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	T + 4 days for RMB denominated Share class T + 3 days for classes of Shares denominated in other currencies

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 7. PrivilEdge – SMAM Japan Small and Mid Cap

### Investment Objective and Policy

The Sub-Fund capitalizes on first-hand research and extensive knowledge of the Japanese market developed by the Investment Manager.

The Investment Manager adopts a corporate finance approach focusing on capital efficiency, in particular the spread between enterprise value per share and the market price of a share as opposed to traditional valuation methods such as the earnings per share (PE ratio) or the book value per share (PB ratio), in order to identify mismatches between the stock prices of a company and the enterprise value.

The Investment Manager invests at least 80% of the Sub-Fund's net assets in equity securities issued by small and mid-cap companies incorporated or exercising a prominent part of their business activities in Japan at the time of purchase.

Up to 10% of the Sub-Fund's net assets may be invested in other equity and equity-related securities of companies outside the parameters set forth above.

The Investment Manager may decide, in a context of a corporate action on an underlying small or mid-cap security, to participate in such corporate action and to receive and hold on a temporary basis and having regard to the best interest of the shareholders other types of securities such as, but not limited to, convertible bonds, bonds or bonds with attached warrants.

It is the intention of the Investment Manager to build a portfolio comprised of 60 to 100 companies which have (i) product and/or business models exhibiting sustainable and durable growth and (ii) a high-quality management team wisely allocating capital in order to drive growth over the long term.

The Investment Manager will use its discretion with regard to the selection of sectors.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the MSCI Japan Small and Mid Cap Index (Total Return Net) (JPY) for reporting or indicative purposes only.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents).

The use of SFIs is described in paragraph 3.1.

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund including the Financial Derivative Instruments Risk (covering *inter alia* warrants).**

### Reference Currency

JPY

## Classes of Shares available for subscription

Classes	U	I	N	M	P	R	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	Equivalent of EUR 1,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / USD / CHF / GBP	EUR / USD / CHF / GBP	EUR / USD / CHF / GBP	EUR / USD / CHF / GBP	EUR / USD / CHF / GBP	EUR / USD / CHF / GBP	EUR / USD / CHF / GBP
Maximum FROC	0.25%	0.25%	0.25%	0.45%	0.45%	0.60%	0.13%
Management Fees	Up to 0.70%	Up to 0.85%	Up to 1.0%	Up to 1.10%	Up to 1.10%	Up to 1.10%	N/A
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.70%	Up to 1.55%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

Sumitomo Mitsui Asset Management Company, Limited

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-3 day	Weekly (on Wednesday)	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 8. PrivilEdge – Fidelity Technology

### Investment Objective and Policy

The Sub-Fund aims to provide long-term capital growth with an expected low level of income.

The Investment Manager will select equity securities and build a portfolio from a universe of companies throughout the world that will provide, or benefit significantly from, technological advances and improvements in relation to products, processes or services.

Selection process goes through a fundamental, bottom-up approach, focusing on identifying quality companies with sustainable growth prospects trading at attractive valuations.

Up to 30% of the Sub-Fund's net assets may be invested in equity and equity-related securities of companies outside the parameters set forth above.

The Investment Manager will use its discretion with regard to the selection of technological fields, geographical areas (including Emerging Markets), size of companies and currencies (including Emerging Market currencies).

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the MSCI AC World Information Technology for reporting or indicative purposes only.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents).

The use of SFIs is described in paragraph 3.1.

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments with the aim of risk or cost reduction or to generate additional capital or income in line with the Sub-Fund's risk profile:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.**

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	R	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	R	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	Equivalent of EUR 1,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP	EUR / CHF / GBP
Maximum FROC	0.25%	0.25%	0.25%	0.44%	0.44%	0.57%	0.13%
Management Fees	Up to 0.70%	Up to 0.85%	Up to 1%	Up to 1.10%	Up to 1.10%	Up to 1.10%	N/A
Performance Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.70%	Up to 1.55%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

## Investment Manager

FIL Pensions Management

## Sub-Investment Manager

The Investment Manager has delegated, under its overall supervision, control, responsibility and its own costs and with the agreement of the Management Company, the day-to-day portfolio management of the Sub-Fund to FIL Investments International.

## Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

This Sub-Fund may not be appropriate for investors who plan to sell their Shares in the fund within 5 years. Investment in the Sub-Fund should be regarded as a long-term investment.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T+3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 9. PrivilEdge – Ashmore Emerging Market Local Currency Bond

For the purpose of this Sub-Fund, defined terms shall have the following meaning:

**"Cash and Cash Equivalents"** as this term is defined in the "Glossary and Definition" Section with the characteristic that, in case a security that could be qualified as Cash and Cash Equivalents is held by the Sub-Fund as part of the implementation of its core investment policy, such security will not be considered a Cash and Cash Equivalents component.

**"Corporate"** means an entity that is (i) not a Sovereign or a Quasi-Sovereign and (ii) is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Market.

**"Quasi-Sovereign"** means an entity that is either (i) fully guaranteed by an Emerging Market or (ii) more than 50% directly or indirectly owned by an Emerging Market.

**"Sovereign"** means the sovereign state of any Emerging Market.

### Investment Objective and Policy

The Sub-Fund's objective is to offer investors long-term return by investing its assets in transferable securities which are debt in nature and other instruments issued by Sovereign, Quasi-Sovereign and Corporate issuers, including also investing in financial derivative instruments and related synthetic structures or products. More precisely, the Sub-Fund invests in securities denominated in local currencies of Emerging Markets and issued or guaranteed by Sovereign, Quasi-Sovereign or Corporate entities. The Sub-Fund may also invest in Emerging Market currencies including offshore (CNH) and onshore (CNY) RMB. Up to 25% of the Sub-Fund's assets may be invested in bonds of CIBM, notably through the Bond Connect.

More particularly the Sub-Fund shall not invest in equities and equity related instruments. If the Sub-Fund holds equities and equity related instruments issued to the Sub-Fund as a result of any conversion, exchange or similar corporate action in relation to transferable securities in which the Sub-Fund has invested pursuant to its investment objective and policies, the Sub-Fund will use its reasonable endeavours to dispose of any such equities or equity related instruments within 6 months of the Sub-Fund being registered as the holder of such equities or equity related instruments.

The Sub-Fund may not invest more than 20% of its net assets in securities of Corporate issuers and may not invest more than 25% of its net assets in investments in a single Emerging Market. The Sub-Fund may invest in Coco Bonds (up to 10% of the Sub-Fund's assets).

At least 70% of the securities issued by Sovereign and Quasi-Sovereign issuers held by the Sub-Fund must be rated by an internationally recognised rating agency, provided that, if the security is not rated at the time of acquisition, the rating of the relevant issuer shall apply or, in case the issuer is a Quasi-Sovereign without a rating, the rating of the Sovereign to which such Quasi-Sovereign is related shall apply.

The Sub-Fund may not invest more than 30% of its net assets in investments denominated in a single currency.

The Sub-Fund may acquire credit-linked notes in respect of Emerging Market issuers. The investment limits will equally apply to the issuer of such instrument and to the underlying asset. The Sub-Fund may not invest more than 5% of its net asset value in credit linked notes.

The Sub-Fund may invest up to 10% of its net assets in UCIs and / or UCITS.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents).

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to borrow cash up to 10% of the Sub-Fund's Net Asset Value and to use financial derivative instruments (in particular, but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy Yes

More specifically, the total value of the underlying gross notional of CDS may not exceed 20% of the Net Asset Value of the Sub-Fund.

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund. Please have regard to the risk factor "Emerging Market Risk" / "CIBM".**

### Reference Currency

USD



## Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.70%	Up to 0.80%	Up to 0.90%	Up to 1.00%	Up to 1.00%	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.50%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\*Notwithstanding any performance fee that may be levied in addition to this limit..

### Investment Manager

Ashmore Investment Management Limited

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek capital appreciation over the long-term;
- seek regular income and potentially capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T+3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 10. PrivilEdge – Baird US Aggregate Bond

### Investment Objective and Policy

The Sub-Fund's objective is to seek an annual rate of total return, before fund expenses, greater than the annual rate of total return of the Barclays U.S. Aggregate Bond Index (the "Benchmark Index"). The Investment Manager will attempt to keep the duration of the Sub-Fund's portfolio substantially equal to the Benchmark Index. The dollar-weighted average portfolio effective maturity of the Sub-Fund will normally be more than five years but less than ten years during normal market conditions.

The Investment Manager invests at least 80% of its net assets in the following types of USD-denominated debt obligations:

- debt obligations of U.S. government and other public-sector entities; and/or
- asset-backed and mortgage-backed obligations of U.S. and foreign issuers; and/or
- corporate debt of U.S. and foreign issuers.

With reference to asset-backed and mortgage-backed obligations, the Sub-Fund may invest in any type of residential and commercial mortgage-backed as well as other asset-backed debt obligations that are collateralized or "backed" by assets such as residential or commercial mortgage loans, automobile loans, instalment sale contracts, credit card receivables or other assets, and are issued by U.S. federal government agencies such as the Government National Mortgage Association (GNMA), entities set up by U.S. federal charter such as the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), commercial banks, trusts, financial companies, finance subsidiaries of industrial companies, savings and loan associations, mortgage banks and investment banks. The types of underlying include, but are not limited to, residential mortgages, commercial mortgages, auto (loans, leases, and floorplans), credit card receivables, equipment receivables and consumer receivables.

The Sub-Fund may invest in debt obligations of all maturities. The Investment Manager will diversify the Sub-Fund's portfolio in accordance to paragraph 4.2 by holding obligations of many different issuers and choosing issuers in a variety of sectors.

The Sub-Fund only invests in debt obligations rated investment grade as per definition in paragraph 3.2 or, if unrated, the Investment Manager will be entitled to invest in debt obligations which, in the Investment Manager's opinion, are deemed to be within the relevant rating category.

Notwithstanding the above, after purchase, a debt obligation may cease to be rated or may have its rating reduced below the minimum rating required by the Sub-Fund for purchase. In such cases, the Investment Manager will consider whether to continue to hold the debt obligation.

In determining which debt obligations to buy for the Sub-Fund, the Investment Manager attempts to achieve returns primarily in three ways:

- Yield curve positioning: the Investment Manager selects debt obligations with maturities and yields that it believes have the greatest potential for achieving the Sub-Fund's objective, while attempting to match the average duration of the debt obligations in the Sub-Fund with the average duration of the debt obligations in the Sub-Fund's benchmark.
- Sector allocation: the Investment Manager invests in debt obligations in those sectors which it believes represent the greatest potential for achieving the Sub-Fund's objective.
- Security selection: the Investment Manager determines which issuers it believes offer the best relative value within each sector and then decides which available debt obligations of that issuers to purchase.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

In particular, the Investment Manager may fully invest the Sub-Fund's portfolio, in accordance with the applicable diversification rules, in Cash and Cash Equivalents (i) when the Investment Manager deems it appropriate for the implementation of the investment policy or (ii) temporarily, in times of increasing volatility when, for instance, it considers the Sub-Fund should be positioned in a defensive way with such possible consequence that the Sub-Fund may not achieve its investment objective.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM No
- as part of the investment strategy No

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund, particularly the Asset-Backed Risk and Mortgage-Backed Risk.**

## Reference Currency

USD

## Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.30%	Up to 0.40%	Up to 0.50%	Up to 0.60%	Up to 0.60%	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.40%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\*Notwithstanding any performance fee that may be levied in addition to this limit..

## Investment Manager

Robert W. Baird & Co. Incorporated

## Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and the potential for capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
12 noon on T day	Daily	Up to T+3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 11. PrivilEdge – Baird US Short Duration Bond

### Investment Objective and Policy

The Sub-Fund's objective is to seek an annual rate of total return, before fund expenses, greater than the annual rate of total return of the Barclays 1-3 Year U.S. Government/Credit Bond Index (the "Benchmark Index"). The Investment Manager will attempt to keep the duration of the Sub-Fund's portfolio substantially equal to the one of the Benchmark Index. The dollar-weighted average portfolio effective maturity of the Sub-Fund will normally be more than one year but less than three years during normal market conditions.

The Investment Manager invests at least 80% of its net assets in the following types of USD-denominated debt obligations:

- debt obligations of U.S. government and other public-sector entities; and/or
- asset-backed and mortgage-backed obligations of U.S. and foreign issuers; and/or
- corporate debt of U.S. and foreign issuers.

With reference to asset-backed and mortgage-backed obligations, the Sub-Fund may invest in any type of residential and commercial mortgage-backed as well as other asset-backed debt obligations that are collateralized or "backed" by assets such as residential or commercial mortgage loans, automobile loans, instalment sale contracts, credit card receivables or other assets and are issued by U.S. federal government agencies such as the Government National Mortgage Association (GNMA), entities set up by U.S. federal charter such as the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), commercial banks, trusts, financial companies, finance subsidiaries of industrial companies, savings and loan associations, mortgage banks and investment banks. The types of underlying include, but are not limited to, residential mortgages, commercial mortgages, auto (loans, leases, and floorplans), credit card receivables, equipment receivables and consumer receivables.

The Sub-Fund may invest in debt obligations of all maturities. The Investment Manager will diversify the Sub-Fund's portfolio in accordance to paragraph 4.2 by holding obligations of many different issuers and choosing issuers in a variety of sectors.

The Sub-Fund only invests in debt obligations rated investment grade as per definition in paragraph 3.2 or, if unrated, the Investment Manager will be entitled to invest in debt obligations which, in the Investment Manager's opinion, are deemed to be within the relevant rating category.

Notwithstanding the above, after purchase, a debt obligation may cease to be rated or may have its rating reduced below the minimum rating required by the Sub-Fund for purchase. In such cases, the Investment Manager will consider whether to continue to hold the debt obligation.

In determining which debt obligations to buy for the Sub-Fund, the Investment Manager attempts to achieve returns primarily in three ways:

- Yield curve positioning: the Investment Manager selects debt obligations with maturities and yields that it believes have the greatest potential for achieving the Sub-Fund's objective, while attempting to match the average duration of the debt obligations in the Sub-Fund with the average duration of the debt obligations in the Sub-Fund's benchmark.
- Sector allocation: the Investment Manager invests in debt obligations in those sectors which it believes represent the greatest potential for achieving the Fund's objective.
- Security selection: the Investment Manager determines which issuers it believes offer the best relative value within each sector and then decides which available debt obligations of that issuers to purchase.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

In particular, the Investment Manager may fully invest the Sub-Fund's portfolio, in accordance with the applicable diversification rules, in Cash and Cash Equivalents (i) when the Investment Manager deems it appropriate for the implementation of the investment policy or (ii) temporarily, in times of increasing volatility when, for instance, it considers the Sub-Fund should be positioned in a defensive way with such possible consequence that the Sub-Fund may not achieve its investment objective.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM No
- as part of the investment strategy No

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund, particularly the Asset-Backed Risk and Mortgage-Backed Risk.**

## Reference Currency

USD

## Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.30%	Up to 0.40%	Up to 0.50%	Up to 0.60%	Up to 0.60%	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.40%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\*Notwithstanding any performance fee that may be levied in addition to this limit..

## Investment Manager

Robert W. Baird & Co. Incorporated

## Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and the potential for capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
12 noon on T day	Daily	Up to T+3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".



## 12. PrivilEdge – Columbia US Short Duration High Yield

### Investment Objective and Policy

The Sub-Fund's objective is to achieve regular income by investing principally in below investment grade USD denominated corporate debt securities with a maturity of 0 to 5.5 years.

The Sub-Fund will invest at least two-thirds (2/3rds) of its net assets in below investment grade debt securities issued by companies listed or having their registered office in the United States of America or Canada.

The Sub-Fund may not invest more than 10% of its net assets in debt securities rated below "CCC-" by S&P or by Moody's or below any equivalent rating by another rating agency or in any other non-rated debt securities which the Investment Manager believes to be of similar or lower quality.

The Sub-Fund may invest up to 20% of its net assets in USD denominated debt securities issued by companies having their registered office outside of the United States of America or Canada. However, the Sub Fund may not invest in companies having their registered office in countries classified as "Emerging Markets" as defined by the MSCI classification system.

The target average duration of the Sub-Fund's investments is 2.5 years, although the Investment Manager may vary this approach if market conditions so warrant. In any case, the Sub-Fund shall not invest more than 5% of its net assets in securities with a final maturity higher than 5.5 years.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 25% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents).

The Investment Manager is authorized to use financial derivative instruments (in particular but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives). Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.50%	Up to 0.60%	Up to 0.70%	Up to 0.80%	Up to 0.80%	N/A
Performance Fees	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.45%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\*Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

Columbia Management Advisers, LLC

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
12 noon on T day	Daily	Up to T+3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 13. PrivilEdge – DPAM European Real Estate

### Investment Objective and Policy

The Sub-Fund's objective is to offer investors long-term return through an active portfolio management strategy, by investing its assets in securities representative of the real estate sector in geographic Europe. These securities include, but are not limited to, bonds and equities of real estate companies, closed-ended REITs, and companies active in real estate promotion and development.

More precisely, the Sub-Fund invests in securities representative of the real estate sector issued by companies having their registered office or carrying out their primary economic activity in one or more European countries. The following are considered to be equivalent to shares of companies having their registered office in an European country: shares of other companies that have a significant proportion of their assets, activities and profit or decision-making centres in one or more European countries. The Sub-Fund may also invest in any other securities (such as convertible bonds and/or hybrid bonds) conferring access to the capital of the companies referred to above.

The Investment Manager will select securities by means of a fundamental and bottom-up approach, based on in-depth knowledge of firms, proprietary research, internal valuation models and systematic rankings. Top-down views and real estate cycles will be fully integrated into company analysis.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents). The Investment Manager will use its discretion with regard to the selection of issuers, asset classes and size of companies.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund, particularly the Real Estate Securities Risk.**

### Reference Currency

EUR

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.70%	Up to 0.80%	Up to 0.90%	Up to 1.00%	Up to 1.00%	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.50%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\*Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

Degroef Petercam Asset Management S.A.

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek capital appreciation over the long-term;
- seek regular income and potentially capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depository, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T+3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 14. PrivilEdge – H2O High Conviction Bonds

### Investment Objective and Policy

The Sub-Fund's objective is to outperform the benchmark JP Morgan Government Bond Index Broad (the "Benchmark"). To do so, the Investment Manager will target an indicative ex-ante annual tracking error relative to the Benchmark of 6%.

The Investment Manager will combine strategic and tactical positions as well as arbitrages on interest rates and international currency markets. The Investment Manager may also invest outside the Benchmark's universe in credit, corporate bonds denominated in any currencies (including Emerging Market currencies) and currencies (including Emerging Market currencies). The investment strategy is based on a "top-down" approach and relies in particular on macroeconomic analysis and analysis of capital flows and relative market valuations.

The Investment Manager invests at least 90% of the Sub-Fund's net assets in bonds, other fixed or floating-rate debt securities including non-investment grade bonds, Coco Bonds (up to 10% of the Sub-Fund's assets), convertible bonds and/or other bonds, currencies and Cash and Cash Equivalents.

The Sub-fund may be fully invested, in accordance with the applicable diversification rules, in bonds issued or guaranteed by OECD member States without any restriction on the rating, meaning that such bonds may be either investment-grade securities or speculative investments within the meaning of paragraph 3.2.

The Sub-Fund may invest up to 60% of its net assets in investment-grade bonds issued by companies having their registered office in an OECD member State.

Up to 10% of the Sub-Fund's net assets may be invested in ABS/MBS which are either (i) graded at least AA by S&P or Fitch or Aa2 by Moody's or (ii) non-rated and deemed equivalent by the Investment Manager.

The Sub-Fund may invest up to 30% of its net assets in either non-investment grade bonds issued by companies having their registered office in an OECD member State or non-OECD government or corporate bonds without any restriction on the rating.

The Investment Manager will use its discretion with regard to the selection of markets (in particular, the Sub-Fund may be fully invested in Emerging Markets), maturity of the portfolio and currencies (including Emerging Market currencies).

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Notwithstanding the limit above, the Sub-Fund may be fully invested, in accordance with the applicable diversification rules, in Cash and Cash Equivalents (i) when the Investment Manager deems it appropriate for the implementation of the investment policy (such as investment in derivatives) or (ii) temporarily, in times of increasing volatility when, for instance, the Investment Manager deems the Sub-Fund should be positioned in a defensive way.

Furthermore, the Sub-Fund may, in accordance with paragraph 4.5, enter into repurchase agreements and/or reverse repurchase agreements up to a maximum commitment of 30% of its net assets as short term investments in order to generate additional income for the Sub-Fund.

Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular but not limited to credit (including CDS), interest rate (including IRS), inflation, currency, and volatility derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy Yes

The use of financial derivative instruments as part of the investment strategy may result in a higher level of leverage and increase the overall risk exposure of the Sub-Fund and the volatility of its Net Asset Value (please refer to the Risk Factors Annex).

**The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.**

### Reference Currency

EUR

## Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.50%	Up to 0.60%	Up to 0.70%	Up to 0.80%	Up to 0.80%	N/A
Performance Fees	25% of the outperformance relative to the Reference Assets as defined below	25% of the outperformance relative to the Reference Assets as defined below	25% of the outperformance relative to the Reference Assets as defined below	25% of the outperformance relative to the Reference Assets as defined below	25% of the outperformance relative to the Reference Assets as defined below	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.45%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.



## Performance Fee calculation

For the purpose of this Sub-Fund, defined terms shall have the following meaning:

<b>Valued Assets</b>	means the Net Asset Value, before any Performance Fee accrual, corresponding to a given Share class.	
<b>Reference Assets</b>	means the portion of the assets corresponding to a given Share class, adjusted to take into account the net capital inflows or outflows as a result of subscriptions, redemptions and conversions amounts on each Valuation Day, whose price reflects the performance of the Reference Rate.  The Reference Assets are reset at the beginning of each Performance Period and will be equal to the higher of either (i) the Valued Assets at the launch of the relevant Share class or to (ii) the highest Valued Assets recorded at the end of any subsequent Performance Period.	
<b>Reference Rate</b>	means, in respect of class U Shares,	the Benchmark* + 1.60%
	means, in respect of class I Shares	the Benchmark* + 1.50%
	means, in respect of class N Shares	the Benchmark* + 1.40%
	means, in respect of class M Shares	the Benchmark* + 1.30%
	means, in respect of class P Shares	the Benchmark* + 0.85%
	<small>* denominated in the currency of the relevant Share class. In case of hedged Share classes, the equivalent hedged Benchmark will be used. However, if such equivalent hedged Benchmark will not be publicly available, the euro-denominated Benchmark adjusted to take into account the interest rates difference between the Reference Currency and the relevant Alternative Currency (cost of hedging) will be used.</small>	
<b>Performance Period</b>	means the period between the first Valuation Day of January in each year or the first Valuation Day following the launch of a Share class, as applicable, to the last Valuation Day of December of the relevant year.	

The Performance Fee applicable to a particular Share class is based on a comparison between (i) the Valued Assets and (ii) the Reference Assets at the time of accrual of the Performance Fee.

The Performance Fee is paid in arrears at the end of the Performance Period. It shall be calculated and accrued in the Net Asset Value on a daily basis.

If, on any Valuation Day, the Valued Assets exceed the Reference Assets, the Performance Fee will represent 25% of the difference between the Valued Assets and the Reference Assets, even if the Valued Assets have decreased during the Performance Period.

If, on any Valuation Day, the Valued Assets are lower than or equal to the Reference Assets, no Performance Fee will be accrued.

Shareholders should also be aware that redemptions will cause a "crystallisation" of the Performance Fee. Therefore, for Shares redeemed, any Performance Fee accrued at the date of redemption will be payable to the Management Company, in proportion to the Shares redeemed.

## Examples of Performance Fee calculation

	Valued Assets before Performance Fee accrual	Reference Assets at the beginning of the Performance Period	Reference Assets at the end of the Performance Period	Performance Fee
<b>T0</b>	100	-	-	-
<b>T1</b>	112	100	103	2.25
<b>T2</b>	114	112	115	None
<b>T3</b>	120	114	116	1.00
<b>T4</b>	118	120	117	0.25
<b>T5</b>	119	120	119	None

At T0 Valued Assets are set at 100.

At the end of the first Performance Period (T1), the Valued Assets are 112 and the Reference Assets are at 103. As the Valued Assets exceed the Reference Assets, the Management Company is entitled to a Performance Fee of 2.25 (25% x (112.00-103.00)).

At the beginning of the following Performance Period (T2), the Reference Assets are reset to 112. At the end of T2, the Valued Assets increased to 114 while the Reference Assets increased to 115. The Valued Assets being below the Reference Assets, no Performance Fee is payable.

At the beginning of the following Performance Period (T3), the Reference Assets are reset to 114. At the end of T3, the Valued Assets increased to 120 while the Reference Assets increased to 116. As the Valued Assets exceed the Reference Assets, the Management Company is entitled to a Performance Fee of 1.00 (25% x (120-116)).

At the beginning of the following Performance Period (T4), the Reference Assets are reset to 120. At the end of T4, the Valued Assets decreased to 118 while the Reference Assets decreased to 117. As the Valued Assets exceed the Reference Assets, the Management Company is entitled to a performance fee of 0.25 (25% x (118-117)) notwithstanding the decrease of the Valued Assets during the Performance Period (from 120 to 118),

At the beginning of the following Performance Period (T5), the Reference Assets are reset to 120. At the end of T5, the Valued Assets increased to 119 while the Reference Assets decreased to 119. The Valued Assets being equal to the Reference Assets, no Performance Fee is payable.

### **Benchmark Regulation**

See the general part of the Prospectus: "3. Investment Objectives and Policies" / 3.1 "General Provisions Common to all Sub-Funds" / "(x) Benchmark Regulation"

### **Investment Manager**

H2O Asset Management LLP

### **Approach used to calculate the global exposure of the Sub-Fund**

Absolute VaR

### **Reference portfolio used to assess the global exposure**

The Benchmark

### **Expected level of leverage:**

1,400%

### **Risk budget**

15%

The Sub-Fund uses financial derivative instruments as part of its investment strategy and is expected to be leveraged. While leverage may present opportunities for increasing the Sub-Fund's total return, it also has the potential of increasing losses. The cumulative effect of the use of leverage by the Sub-Fund in a market that moves adversely to the Sub-Fund's investments could result in a substantial loss to the Sub-Fund.

The global exposure of the Sub-Fund is calculated following the absolute VaR approach. The expected level of leverage is 1,400%. Investors should note that the expected level of leverage can be exceeded in certain circumstances which are linked, for instance, to sudden changes of market conditions rather than an intent to take additional exposure.

Leverage is defined as the sum of the absolute value of the notionals of the financial derivative instruments held in each Sub-Fund's portfolio (excluding the investment portfolio) divided by its total net assets and therefore does not take into account any netting and hedging arrangements. Leverage per se is not an accurate risk indicator as a higher degree of leverage does not necessarily imply a higher degree of risk.

Although this measure of gross notional leverage may in some instances reach what could be considered as high levels, it is expected that net leverage taking into account netting and hedging will be substantially lower as a large part of notional leverage will usually be generated through relative trades with offsetting exposures and/or short term derivatives which require larger notional amounts than longer term derivatives to generate a given level of risk.

As described in paragraph 4.2 (l), the risk budget of the Sub-Fund is continuously monitored through a value-at-risk (VaR) methodology with an aim to not exceed an estimated 1-month ex-ante absolute VaR of 15%. Portfolios below their risk budget are, under normal market conditions, statistically not expected to decline by more than this risk budget over one month with a confidence interval of 99%. This risk budget is set according to the risk profile of the Sub-Fund and is lower than the regulatory VaR limit of 20%.

### **Profile of Typical investor**

The Sub-Fund may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depository, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
12 noon on T day	Daily	Up to T+ 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 15. PrivilEdge – Aberdeen Emerging Market All Cap

### Investment Objective and Policy

The Sub-Fund's objective is to seek long term capital appreciation by investing at least 50% of its net assets in equity and equity-related securities of companies having their registered office, or listed, in an Emerging Market country or companies where any one or more of sales, profits, fixed assets or workforce are primarily (i.e. 50%) from, or located in, an Emerging Market country.

Under normal market conditions, the Investment Manager will invest up to 35% of the Sub-Fund's net assets in small-cap companies. For the purpose of this Sub-Fund, small-cap companies are defined as companies with market capitalisation under five billion USD.

Discretion will be used with the selection of sectors, markets, currencies and market capitalisation. Up to 20% of the Sub-Fund's net assets may be invested in China A-Shares which are shares issued by mainland China-based companies that trade on regulated exchanges but only available for purchase through certain trading facilities (such as Stock Connect) as further detailed in the Risk Factors Annex under paragraph 2.13.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 15% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS).

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	Investors subscribing on the basis of a separate fee arrangement with any entity belonging to the Lombard Odier Group	Investors subscribing on the basis of a separate fee arrangement with any entity belonging to the Lombard Odier Group	Investors subscribing on the basis of a separate fee arrangement with any entity belonging to the Lombard Odier Group	Investors subscribing on the basis of a separate agreement with any entity belonging to the Lombard Odier Group and that either: (i) provide discretionary portfolio management services or (ii) provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services or (iii) are other investors determined by the Board or the Management Company in their discretion.	Investors subscribing on the basis of a separate fee arrangement with any entity belonging to the Lombard Odier Group	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.40%	0.40%	0.35%
Management Fees	Up to 0.80%	Up to 1.00%	Up to 1.20%	Up to 1.30%	Up to 1.30%	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.75%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

Aberdeen Asset Managers Limited (excluding Asian assets)

### Sub-Investment Manager

Aberdeen Asset Management Asia Limited (Asian assets only)

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek potential for capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depository, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T -1 day	Daily	Up to T+ 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 16. PrivilEdge – AXA IM Short Duration Inflation Bond

### Investment Objective and Policy

The Sub-Fund's objective is to achieve regular income by investing mainly in a diversified portfolio consisting of short duration inflation-linked bonds issued by governments, corporations or public institutions from OECD countries. The Investment Manager will use its discretion with regard to the selection of instruments (in particular the Sub-Fund may be also invested in nominal bonds), markets (including Emerging Markets), and maturities.

Governments and public institutions may be rated investment grade or below. The Sub-Fund will not invest more than 10% of its net assets in securities rated below investment grade as per definition in paragraph 3.2. Minimum rating for corporate bonds is investment grade.

The Investment Manager will select securities by means of a comprehensive macroeconomic and microeconomic analysis of the markets with focus, among others, on:

- positioning on the inflation-linked yield curve;
- management of duration for inflation-linked bonds;
- positioning according to inflation expectations.

The Investment Manager anticipates that the average duration of the Sub-Fund will generally be five years or less.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the Bank of America Merrill Lynch Global 1-5 Years GDP Weighted for reporting or indicative purposes only.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 15% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents).

The Investment Manager is authorized to use financial derivative instruments (in particular but not limited to credit (including CDS), inflation (including swaps), interest rate (including IRS), and currency derivatives). Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy Yes

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors

Classes	U	I	N	M	P	S
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.30%	Up to 0.40%	Up to 0.50%	Up to 0.60%	Up to 0.60%	N/A
Performance Fees	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.40%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

## Investment Manager

AXA Investment Managers Paris

## Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.



## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T -1 day	Daily	Up to T+ 3 days

NB: any reference to a day shall be construed as a reference to a Business Day. For this Sub-Fund, a Business Day shall be understood as a day on which banks are open all day for business in Luxembourg and in the United States of America.

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 17. PrivilEdge – Franklin Flexible Euro Aggregate Bond

### Investment Objective and Policy

The Sub-Fund's objective is to seek an annual rate of total return greater than the annual rate of total return of the Bloomberg Barclays Euro Aggregate Index. The Investment Manager will attempt to achieve such objective by primarily investing in a portfolio of fixed and floating rate debt securities issued by governments, government-related and supranational bodies or corporate entities.

The Investment Manager mainly invests in debt securities denominated in EUR and may allocate up to 30% of the Sub-Fund's net assets in other European currencies or in debt obligations denominated in other European currencies.

In addition, the Sub-Fund may invest up to:

- 20% of its net assets in securities rated below investment grade as per definition in paragraph 3.2;
- 60% of its net assets in corporate securities;
- 10% of its net assets in Coco Bonds;
- 20% of its net assets in securitised assets (including ABS/MBS and covered bonds). ABS/MBS may represent up to 15% of the Sub-Fund's net assets; and
- 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 15% of its net assets in Cash and Cash Equivalents.

The Investment Manager will use its discretion with regard to the selection of instruments, markets (including Emerging Markets), currencies and maturities.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular, but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy Yes

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund in particular the Contingent Convertible Bonds Risk, the Asset-Backed Risk and Mortgage-Backed Risk.

### Reference Currency.

EUR

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.30%	Up to 0.40%	Up to 0.50%	Up to 0.60%	Up to 0.60%	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.40%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

## Investment Manager

Franklin Templeton Investment Management Limited

## Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and the potential for capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T -1 day	Daily	Up to T+ 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day.

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 18. PrivilEdge – Henderson Pan European Equity

### Investment Objective and Policy

The Sub-Fund's objective is to seek long term capital appreciation and to outperform the MSCI Europe Index (the "Benchmark") by primarily investing in equity securities of companies having their registered office or carrying out their primary economic activity in Europe.

At least 75% of the Sub-Fund's net assets are exposed to equity of corporate issuers having their registered office in the EEA.

In selecting investments, the Investment Manager look for shares that appear to have greater potential to rise in price over the long-term than is reflected in current market prices.

Discretion is used with the selection of sectors, markets (including Emerging Markets), currencies and market capitalisation.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS).

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.

### Reference Currency

EUR

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.45%	Up to 0.60%	Up to 0.75%	Up to 0.85%	Up to 0.85%	N/A
Performance Fees	10% of the outperformance relative to the Benchmark	10% of the outperformance relative to the Benchmark	10% of the outperformance relative to the Benchmark	10% of the outperformance relative to the Benchmark	10% of the outperformance relative to the Benchmark	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.65%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Performance Fee calculation

For the purpose of this Sub-Fund, defined terms shall have the following meaning:

**Performance Period** means the period between the first Valuation Day of January in each year or the first Valuation Day following the launch of a Share class, as applicable, to the last Valuation Day of December of the relevant year.

For the U, I, N, M, and P classes of Shares, the Management Company is entitled to a Performance Fee amounting to a percentage as described above of the relative performance of the Sub-Fund compared to the Benchmark during a Performance Period, subject to a Relative High Water Mark. Shareholders should be aware that under the Performance Fee formula disclosed hereinafter, a Performance Fee may be payable on yearly basis to the Management Company in respect of a given period, even if there was a decrease of the Net Asset Value over the relevant period. Shareholders should also be aware that redemptions will cause a "crystallisation" of the Performance fee. Therefore, for Shares redeemed, any Performance Fee accrued for the relevant Sub-Fund at the date of redemption will be payable to the Management Company, in proportion to the Shares redeemed.

The Relative High Water Mark principle means that if the Management Company underperforms its Benchmark during a Performance Period, it has first to recoup this loss in the next Performance Period(s) before being entitled to a Performance Fee. In other words, the Sub-Fund must have generated a performance greater than the Benchmark since the latest of (i) the last payment of the Performance Fee, or (ii) the introduction of the Performance Fee, in case such fee has never been paid yet.

The Performance Fee is paid in arrears at the end of the Performance Period. It shall be calculated and accrued in the Net Asset Value on a daily basis.

In case of hedged Share classes, the equivalent hedged Benchmark will be used. However, if such equivalent hedged Benchmark will not be publicly available, the euro-denominated Benchmark adjusted to take into account the interest rates difference between the Reference Currency and the relevant Alternative Currency (cost of hedging) will be used.

## Examples of Performance Fee calculation

	Sub-Fund's NAV	Benchmark	Sub-Fund's Performance	Benchmark's Performance	Performance Fee	NAV net of Performance
<b>T0</b>	100	200	-	-	-	-
<b>T1</b>	112	206	12.00%	3.00%	0.90	111.10
<b>T2</b>	115	220	3.51%	6.80%	none	115.00
<b>T3</b>	125	225	12.51%	9.22%	0.37	124.63

The Sub-Fund is launched at T0 with a NAV of 100.

At the end of the first year (T1), the NAV is 112 (gain of 12%) and the Benchmark is at 206 (gain of 3%). As the Sub-Fund outperforms its Benchmark by 9%, the Management Company is entitled to a Performance Fee of 0.9 (10% x 9% x 100). The Sub-Fund's NAV (111.10) and the Benchmark's level (206) at that time are used for calculating the Performance Fee for the second year (Relative High Water Mark).

At the end of the second year (T2), the Sub-Fund has underperformed the Benchmark, and thus no Performance Fee is charged. The Relative High Water Mark stays at the same level.

At the end of the third year (T3), the Sub-Fund exhibits a performance of 12.51% (from 111.10 to 125) and the Benchmark a performance of 9.22% (from 206 to 225) compared to the Relative High Water Mark. As the Sub-Fund outperforms its Benchmark by 3.29%, the Management Company is entitled to a Performance Fee of 0.37 (10% x 3.29% x 111.10). The new High Water Mark levels are set on 124.63 for the NAV and 225 for the Benchmark.

### Benchmark Regulation

See the general part of the Prospectus: "3. Investment Objectives and Policies" / 3.1 "General Provisions Common to all Sub-Funds" / "(x) Benchmark Regulation"

### Investment Manager

Henderson Global Investors Limited

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek potential for capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

### Cut-off time

Cut-off time <sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)	Valuation Day <sup>2</sup> ("T")	Payment Date (Subscriptions and Redemptions)
3 p.m. on T-1 day	Daily	Up to T+ 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 19. PrivilEdge – William Blair US Small and Mid Cap

### Investment Objective and Policy

The Sub-Fund's objective is to seek long term capital appreciation and to outperform the Russell 2500 Index by primarily investing in equity securities. Under normal market conditions, the Sub-Fund invests 80% of its net assets in small and mid-capitalization companies having their registered office or carrying out their primary economic activity in the United States of America. Up to 20% of its net assets may be invested in other equity securities outside these parameters.

In selecting investments, the Investment Manager will look for companies with strong management teams, competitive advantages and/or attractive industry structures such that they can sustain strong returns on capital over the long term. In addition, the Investment Manager will seek to build a portfolio of companies with market capitalizations that are typically within the range of the Russell 2500 Index at the time of initial purchase.

Discretion will be used with the selection of sectors and market capitalisation.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents).

The Sub-Fund qualifies as an Equity Fund under GITL.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares



Classes	U	I	N	M	P	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.70%	Up to 0.85%	Up to 1.00%	Up to 1.10%	Up to 1.10%	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.70%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

William Blair Investment Management, LLC

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek potential for capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T+ 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 20. PrivilEdge – BlackRock Emerging Market Dynamic Bond

**For the purpose of this Sub-Fund, defined terms shall have the following meaning:**

**"Cash and Cash Equivalents"** as this term is defined in the "Glossary and Definition" Section with the characteristic that, in case a security that could be qualified as Cash and Cash Equivalents is held by the Sub-Fund as part of the implementation of its core investment policy, such security will not be considered a Cash and Cash Equivalents component.

**"Corporate"** means an entity that is (i) not a Sovereign or a Quasi-Sovereign and (ii) is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Market.

**"Quasi-Sovereign"** means an entity that is either (i) fully guaranteed by an Emerging Market or (ii) more than 50% directly or indirectly owned by an Emerging Market.

**"Sovereign"** means the sovereign state of any Emerging Market.

**"Benchmark"** means a composite index consisting of one-half the JPM GBI-EM Global Diversified Index, one-fourth the JPM CEMBI Broad Diversified Index, and one-fourth the JPM EMBI Global Diversified Index.

### **Investment Objective and Policy**

The Sub-Fund's objective is to offer investors long-term return by primarily investing in transferable securities which are debt in nature and other instruments issued by Sovereign, Quasi-Sovereign and Corporate issuers, including also investing in financial derivative instruments and related synthetic structures or products worldwide. More precisely, the Sub-Fund invests at least 70% of its net assets in securities denominated in both local and non-local currencies of Emerging Markets and issued or guaranteed by Sovereign, Quasi-Sovereign or Corporate entities, without any restriction on the rating. The Sub-Fund may also invest in Emerging Market currencies including offshore RMB (CNH).

The Sub-Fund will invest at least 20% of its net assets in securities of Quasi-Sovereign or Corporate issuers and may invest in Coco Bonds (up to 10% of the Sub-Fund's net assets) and ABS/MBS (up to 10% of the Sub-Fund's net assets).

More particularly the Sub-Fund may hold up to 10% of its net assets in equities and equity related instruments and may be fully invested in securities rated below investment grade as per definition in paragraph 3.2 (including Distressed Securities which may represent up to 10% of the net assets).

Discretion will be used with the selection of sectors, markets, currencies and market capitalisation.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Notwithstanding the limits above, the Sub-Fund may invest up to 30% of its net assets in Cash and Cash Equivalents (i) when the Investment Manager deems it appropriate for the implementation of the investment policy (such as investment in derivatives) or (ii) temporarily, in times of increasing volatility when, for instance, the Investment Manager deems the Sub-Fund should be positioned in a defensive way. Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular, but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy Yes

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund, in particular the "Below Investment Grade Risk and Distressed Securities Risk".

### **Reference Currency**

USD

## Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.70%	Up to 0.80%	Up to 0.90%	Up to 1.00%	Up to 1.00%	N/A
Performance Fees	25% of the outperformance relative to the Reference Rate	25% of the outperformance relative to the Reference Rate	25% of the outperformance relative to the Reference Rate	25% of the outperformance relative to the Reference Rate	25% of the outperformance relative to the Reference Rate	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.50%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Performance Fee calculation

For the purpose of this Sub-Fund, defined terms shall have the following meaning:

**Reference Rate** means, in respect of any Share Class, the Benchmark + 1.00%

**Performance Period** means the period between the first Valuation Day of January in each year or the first Valuation Day following the launch of a Share class, as applicable, to the last Valuation Day of December of the relevant year.

For the U, I, N, M, and P classes of Shares, the Management Company is entitled, in addition to the Management Fees, to a Performance Fee amounting to a percentage as described above of the relative performance of the Sub-Fund compared to the Reference Rate during a Performance Period, subject to a Relative High Water Mark. Shareholders should be aware that under the Performance Fee formula disclosed hereinafter, a Performance Fee may be payable on yearly basis to the Management Company in respect of a given period, even if there was a decrease of the Net Asset Value over the relevant period. Shareholders should also be aware that redemptions will cause a "crystallisation" of the Performance fee. Therefore, for Shares redeemed, any Performance Fee accrued for the relevant Sub-Fund at the date of redemption will be payable to the Management Company, in proportion to the Shares redeemed.

The Relative High Water Mark principle means that if the Management Company underperforms its Reference Rate during a performance period, it has first to recoup this loss in the next performance period(s) before being entitled to a Performance Fee. In other words, the Sub-Fund must have generated a performance greater than the Reference Rate since the latest of (i) the last payment of the Performance Fee, or (ii) the introduction of the Performance Fee, in case such fee has never been paid yet.

The Performance Fee is paid in arrears at the end of the Performance Period and it shall be calculated and accrued in the Net Asset Value on a daily basis.

In case of hedged Share classes, the equivalent hedged Benchmark will be used. However, if such equivalent hedged Benchmark will not be publicly available, the USD-denominated Benchmark adjusted to take into account the interest rates difference between the Reference Currency and the relevant Alternative Currency (cost of hedging) will be used to calculate the Reference Rate.

### Examples of Performance Fee calculation

	Sub-Fund's NAV	Benchmark +1%	Sub-Fund's Performance	Reference Rate	Performance Fee	NAV net of Performance
<b>T0</b>	100	200	-	-	-	-
<b>T1</b>	112	206	12.00%	3.00%	2.25	109.75
<b>T2</b>	115	220	4.78%	6.80%	none	115.00
<b>T3</b>	125	225	13.90%	9.22%	1.28	123.72

The Sub-Fund is launched at T0 with a NAV of 100.

At the end of the first year (T1), the NAV is 112 (gain of 12%) and the Benchmark +1% is at 206 (gain of 3%). As the Sub-Fund outperforms its Benchmark +1% by 9%, the Management Company is entitled to a Performance Fee of 2.25 (25% x 9% x 100). The Sub-Fund's NAV (109.75) and the Benchmark +1% level (206) at that time are used for calculating the Performance Fee for the second year (Relative High Water Mark).

At the end of the second year (T2), the Sub-Fund has underperformed the Reference Rate, and thus no Performance Fee is charged. The Relative High Water Mark stays at the same level.

At the end of the third year (T3), the Sub-Fund exhibits a performance of 13.90% (from 109.75 to 125) and the Benchmark +1% a performance of 9.22% (from 206 to 225) compared to the Relative High Water Mark. As the Sub-Fund outperforms its Reference Rate by 4.67%, the Management Company is entitled to a Performance Fee of 1.28 (25% x 4.67% x 109.75). The new High Water Mark levels are set on 123.72 for the NAV and 225 for the Benchmark +1%.

### Benchmark Regulation

See the general part of the Prospectus: "3. Investment Objectives and Policies" / 3.1 "General Provisions Common to all Sub-Funds" / "(x) Benchmark Regulation"

### Investment Manager

BlackRock Investment Management (UK) Limited

### Approach used to calculate the global exposure of the Sub-Fund

Absolute VaR

### Reference portfolio used to assess the global exposure

The Benchmark

### Expected level of leverage

The expected level of leverage will be 550%

## Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 21. PrivilEdge – JP Morgan Pan European Flexible Equity

### Investment Objective and Policy

The Sub-Fund's objective is to seek long term capital appreciation and to outperform the MSCI Europe Index (Total Return Net) (the "Benchmark") by investing in a blended value and growth style portfolio with a typical bias towards value of equity securities of companies having their registered office or carrying out their primary economic activity in Europe.

The Investment Manager may also invest up to 10% of the Sub-Fund's net assets in any other securities (such as convertible bonds and/or bonds with attached warrants) conferring access to the capital of the companies referred to above.

At least 75% of the Sub-Fund's net assets are exposed to equity of corporate issuers having their registered office in the EEA.

It is the intention of the Investment Manager to build a broadly diversified portfolio with generally more than 400 stocks that appear to be attractively valued and fundamentally sound and/or look to be supported by good momentum and quality characteristics to drive future outperformance.

Discretion is used with the selection of sectors, markets (including Emerging Markets), currencies and market capitalisation.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

The Sub-Fund qualifies as an Equity Fund under GITL.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents).

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.

### Reference Currency

EUR

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.45%	Up to 0.60%	Up to 0.75%	Up to 0.85%	Up to 0.85%	N/A
Performance Fees	10% of the outperformance relative to the Benchmark	10% of the outperformance relative to the Benchmark	10% of the outperformance relative to the Benchmark	10% of the outperformance relative to the Benchmark	10% of the outperformance relative to the Benchmark	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.65%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Performance Fee calculation

For the purpose of this Sub-Fund, defined terms shall have the following meaning:

**Performance Period** means the period between the first Valuation Day of January in each year or the first Valuation Day following the launch of a Share class, as applicable, to the last Valuation Day of December of the relevant year.

For the U, I, N, M, and P classes of Shares, the Management Company is entitled to a Performance Fee amounting to a percentage as described above of the relative performance of the Sub-Fund compared to the Benchmark during a Performance Period, subject to a Relative High Water Mark. Shareholders should be aware that under the Performance Fee formula disclosed hereinafter, a Performance Fee may be payable on yearly basis to the Management Company in respect of a given period, even if there was a decrease of the Net Asset Value over the relevant period. Shareholders should also be aware that redemptions will cause a "crystallisation" of the Performance fee. Therefore, for Shares redeemed, any Performance Fee accrued for the relevant Sub-Fund at the date of redemption will be payable to the Management Company, in proportion to the Shares redeemed.

The Relative High Water Mark principle means that if the Management Company underperforms its Benchmark during a Performance Period, it has first to recoup this loss in the next Performance Period(s) before being entitled to a Performance Fee. In other words, the Sub-Fund must have generated a performance greater than the Benchmark since the latest of (i) the last payment of the Performance Fee, or (ii) the introduction of the Performance Fee, in case such fee has never been paid yet.

The Performance Fee is paid in arrears at the end of the Performance Period. It shall be calculated and accrued in the Net Asset Value on a daily basis.

In case of hedged Share classes, the equivalent hedged Benchmark will be used. However, if such equivalent hedged Benchmark will not be publicly available, the euro-denominated Benchmark adjusted to take into account the interest rates difference between the Reference Currency and the relevant Alternative Currency (cost of hedging) will be used.



## Examples of Performance Fee calculation

	Sub-Fund's NAV	Benchmark	Sub-Fund's Performance	Benchmark's Performance	Performance Fee	NAV net of Performance
<b>T0</b>	100	200	-	-	-	-
<b>T1</b>	112	206	12.00%	3.00%	0.90	111.10
<b>T2</b>	115	220	3.51%	6.80%	none	115.00
<b>T3</b>	125	225	12.51%	9.22%	0.37	124.63

The Sub-Fund is launched at T0 with a NAV of 100.

At the end of the first year (T1), the NAV is 112 (gain of 12%) and the Benchmark is at 206 (gain of 3%). As the Sub-Fund outperforms its Benchmark by 9%, the Management Company is entitled to a Performance Fee of 0.9 (10% x 9% x 100). The Sub-Fund's NAV (111.10) and the Benchmark's level (206) at that time are used for calculating the Performance Fee for the second year (Relative High Water Mark).

At the end of the second year (T2), the Sub-Fund has underperformed the Benchmark, and thus no Performance Fee is charged. The Relative High Water Mark stays at the same level.

At the end of the third year (T3), the Sub-Fund exhibits a performance of 12.51% (from 111.10 to 125) and the Benchmark a performance of 9.22% (from 206 to 225) compared to the Relative High Water Mark. As the Sub-Fund outperforms its Benchmark by 3.29%, the Management Company is entitled to a Performance Fee of 0.37 (10% x 3.29% x 111.10). The new High Water Mark levels are set on 124.63 for the NAV and 225 for the Benchmark.

### Benchmark Regulation

See the general part of the Prospectus: "3. Investment Objectives and Policies" / 3.1 "General Provisions Common to all Sub-Funds" / "(x) Benchmark Regulation"

### Investment Manager

JP Morgan Asset Management (UK) Limited

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek potential for capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 22. PrivilEdge – Moneta Best of France

### Investment Objective and Policy

The Sub-Fund's objective is to seek long term capital appreciation and outperform the SBF 120 Net Total Return Index ("the Benchmark") by primarily investing in equity or equity-related securities of companies having their registered office or carrying out their primary economic activity in France.

At least 75% of the Sub-Fund's net assets are exposed to equity of corporate issuers having their registered office in the EEA.

In selecting investments, the Investment Manager look for valuation anomalies of stocks which can potentially reveal the highest quality companies within the target markets.

Discretion is used with the selection of sectors, markets (including Emerging Markets), currencies and market capitalisation.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents (including short-term ABS/MBS which may represent up to 10% of investments in Cash and Cash Equivalents).

The Sub-Fund qualifies as an Equity Fund under GILT.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.

### Reference Currency

EUR

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 1.40%	Up to 1.60%	Up to 1.80%	Up to 2.00%	Up to 2.00%	N/A
Performance Fees	15% of the outperformance relative to the Benchmark	15% of the outperformance relative to the Benchmark	15% of the outperformance relative to the Benchmark	15% of the outperformance relative to the Benchmark	15% of the outperformance relative to the Benchmark	
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.40%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit

### Performance Fee calculation

For the purpose of this Sub-Fund, defined terms shall have the following meaning:

**Performance Period** Means the period between the first Valuation Day of January in each year or the first Valuation Day following the launch of a Share class, as applicable, to the last Valuation Day of December of the relevant year.

For the U, I, N, M, and P classes of Shares, the Management Company is entitled to a Performance Fee amounting to a percentage as described above of the relative performance of the Sub-Fund compared to the Benchmark during a Performance Period, subject to a Relative High Water Mark. Shareholders should be aware that under the Performance Fee formula disclosed hereinafter, a Performance Fee may be payable on yearly basis to the Management Company in respect of a given period, even if there was a decrease of the Net Asset Value over the relevant period. Shareholders should also be aware that redemptions will cause a "crystallisation" of the Performance fee. Therefore, for Shares redeemed, any Performance Fee accrued for the relevant Sub-Fund at the date of redemption will be payable to the Management Company, in proportion to the Shares redeemed.

The Relative High Water Mark principle means that if the Management Company underperforms its Benchmark during a Performance Period, it has first to recoup this loss in the next Performance Period(s) before being entitled to a Performance Fee. In other words, the Sub-Fund must have generated a performance greater than the Benchmark since the latest of (i) the last payment of the Performance Fee, or (ii) the introduction of the Performance Fee, in case such fee has never been paid yet.

The Performance Fee is paid in arrears at the end of the Performance Period. It shall be calculated and accrued in the Net Asset Value on a daily basis.

In case of hedged Share classes, the equivalent hedged Benchmark will be used. However, if such equivalent hedged Benchmark will not be publicly available, the euro-denominated Benchmark adjusted to take into account the interest rates difference between the Reference Currency and the relevant Alternative Currency (cost of hedging) will be used.

## Examples of Performance Fee calculation

	Sub-Fund's NAV	Benchmark	Sub-Fund's Performance	Benchmark's Performance	Performance Fee	NAV net of Performance
T0	100	200	-	-	-	-
T1	112	206	12.00%	3.00%	1.35	110.65
T2	115	220	3.93%	6.80%	none	115.00
T3	125	225	12.97%	9.22%	0.62	124.38

The Sub-Fund is launched at T0 with a NAV of 100.

At the end of the first year (T1), the NAV is 112 (gain of 12%) and the Benchmark is at 206 (gain of 3%). As the Sub-Fund outperforms its Benchmark by 9%, the Management Company is entitled to a Performance Fee of 1.35 (15% x 9% x 100). The Sub-Fund's NAV (110.65) and the Benchmark's level (206) at that time are used for calculating the Performance Fee for the second year (Relative High Water Mark).

At the end of the second year (T2), the Sub-Fund has underperformed the Benchmark, and thus no Performance Fee is charged. The Relative High Water Mark stays at the same level.

At the end of the third year (T3), the Sub-Fund exhibits a performance of 12.97% (from 110.65 to 125) and the Benchmark a performance of 9.22% (from 206 to 225) compared to the Relative High Water Mark. As the Sub-Fund outperforms its Benchmark by 3.75%, the Management Company is entitled to a Performance Fee of 0.62 (15% x 3.75% x 110.65). The new High Water Mark levels are set on 124.38 for the NAV and 225 for the Benchmark.

### Benchmark Regulation

See the general part of the Prospectus: "3. Investment Objectives and Policies" / 3.1 "General Provisions Common to all Sub-Funds" / "(x) Benchmark Regulation"

### Investment Manager

Moneta Asset Management

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek potential for capital appreciation over the long-term;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 23. PrivilEdge – NN IP Euro Credit

### Investment Objective and Policy

The Sub-Fund's objective is to outperform the Bloomberg Barclays Euro Aggregate Credit – Corporate (the "Benchmark") over the long term. The Investment Manager will attempt to achieve such objective by primarily investing in a portfolio of investment grade bonds issued by corporate entities (including financial institutions).

The Investment Manager will invest at least two-thirds (2/3rds) of the Sub-Fund's net assets in debt securities denominated in EUR. In addition, the Sub-Fund may invest up to:

- 10% of its net assets in securities rated below investment grade as per definition in paragraph 3.2 (including Distressed Securities which may represent up to 2% of the net assets);
- 20% of its net assets in non-EUR denominated debt obligations;
- 10% of its net assets in Coco Bonds; and
- 10% of its net assets in UCIs.

The Sub-Fund will not actively invest in equities or bonds with attached warrants but may receive such kind of securities from a restructuring or other corporate action. Should this occur, the Investment Manager intends to sell such securities within 3 months taking into account the best interests of the investors.

The Investment Manager will use its discretion with regard to the selection of instruments, markets (including Emerging Markets), currencies and maturities.

In accordance with the applicable diversification rules, the Sub-Fund may hold up to one-third (1/3rd) of its net assets in Cash and Cash Equivalents (i) when the Investment Manager deems it appropriate for the implementation of the investment policy (such as investment in derivatives) or (ii) temporarily, in times of increasing volatility when, for instance, the Investment Manager deems the Sub-Fund should be positioned in a defensive way.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular, but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy Yes

The attention of investors is drawn to the Risk Factors Annex in Appendix B which sets out the risk factors applicable to the Sub-Fund.

### Reference Currency

EUR

## Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group
Alternative Currencies	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.30%	Up to 0.40%	Up to 0.50%	Up to 0.60%	Up to 0.60%	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.40%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

NN Investment Partners B.V.

### Approach used to calculate the global exposure of the Sub-Fund

Relative VaR

### Reference portfolio used to assess the global exposure only

The Benchmark



### Expected level of leverage

300%

### Risk budget

150%

### Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and the potential for capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

### Cut-off time

Cut-off time <sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)	Valuation Day <sup>2</sup> ("T")	Payment Date (Subscriptions and Redemptions)
3 p.m. on T-1 day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 24. PrivilEdge – T. Rowe Price European High Yield Bond

### Investment Objective and Policy

The Sub-Fund's objective is to achieve regular income by investing principally in below investment grade corporate debt securities that are denominated in European currencies.

Specifically, the Sub-Fund will invest at least 80% of its net assets in below investment grade debt securities issued by companies and denominated in EUR, CHF or GBP. Portfolio debt securities can include fixed and floating rate bonds as well as other transferable debt securities of any type, including Coco Bonds (up to 10% of the Sub-Fund's assets). However, equities, preferred stocks and convertible bonds are excluded.

The Sub-Fund may invest up to 20% of its net assets in debt securities that are not denominated in EUR or GBP or that are rated investment grade as per definition in paragraph 3.2.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 10% of its net assets in Cash and Cash Equivalents.

The Investment Manager will use its discretion with regard to the selection of instruments, markets (including Emerging Markets), currencies and maturities.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the BofA Merrill Lynch European Currency High Yield Constrained Index for reporting or indicative purposes only.

The Investment Manager is authorized to use financial derivative instruments (in particular but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives). Subject to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments:

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.

### Reference Currency

EUR

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors

Classes	U	I	N	M	P	S
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group
Alternative Currencies	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.50%	Up to 0.60%	Up to 0.70%	Up to 0.80%	Up to 0.80%	N/A
Performance Fees	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.45%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\* Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

T. Rowe Price International Ltd

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Custodian, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 25. PrivilEdge – Flossbach von Storch Global Convertible Bond

### Investment Objective and Policy

The Sub-Fund's objective is to offer investors long-term return by primarily investing in international convertible bonds and similar securities (such as but not limited to bonds with attached warrants and convertible preference shares), denominated in various currencies, as well as financial derivative instruments on convertible bonds. More precisely, the Investment Manager will focus on convertible bonds and other similar products from companies that exhibit good income and price potential and solid financing.

The Sub-Fund may invest up to 70% of its net assets in securities rated below investment grade as per definition in paragraph 3.2. The Investment Manager will not actively invest in Distressed Securities, but may hold up to 5% of its net assets in such type of securities.

The Sub-Fund will not actively invest in equities but may hold up to 10% of its net assets in equity securities received from a conversion of the bonds or other corporate action. The Sub-Fund will not invest in Coco Bonds.

Discretion will be used with the selection of instruments, sectors, markets (including emerging Markets), currencies (including Emerging Market currencies) and market capitalisation.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the Thomson Reuters Global Focus Index for reporting or indicative purposes only.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Notwithstanding the limits above, the Sub-Fund may invest up to one-third (1/3rd) of its net assets in Cash and Cash Equivalents (i) when the Investment Manager deems it appropriate for the implementation of the investment policy (such as investment in derivatives) or (ii) temporarily, in times of increasing volatility when, for instance, the Investment Manager deems the Sub-Fund should be positioned in a defensive way. Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular, but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy Yes

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.

### Reference Currency

EUR

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors

Classes	U	I	N	M	P	S
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	USD / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.50%	Up to 0.60%	Up to 0.70%	Up to 0.80%	Up to 0.80%	N/A
Performance Fees	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.45%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\*Notwithstanding any performance fee that may be levied in addition to this limit

## Investment Manager

Flossbach von Storch AG

## Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

#### Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 26. PrivilEdge – Payden Emerging Market Debt

For the purpose of this Sub-Fund, defined terms shall have the following meaning:

**"Cash and Cash Equivalents"** as this term is defined in the "Glossary and Definition" Section with the characteristic that, in case a security that could be qualified as Cash and Cash Equivalents is held by the Sub-Fund as part of the implementation of its core investment policy, such security will not be considered a Cash and Cash Equivalents component.

**"Corporate"** means an entity that is (i) not a Sovereign or a Quasi-Sovereign and (ii) is either domiciled in, or derives at least 50% of its revenues in or from, one or more Emerging Market.

**"Quasi-Sovereign"** means an entity that is either (i) fully guaranteed by an Emerging Market or (ii) more than 50% directly or indirectly owned by an Emerging Market.

**"Sovereign"** means the sovereign state of any Emerging Market.

### Investment Objective and Policy

The Sub-Fund's objective is to offer investors long-term return by primarily investing in transferable securities which are debt in nature and other debt instruments issued by Sovereign, Quasi-Sovereign and Corporate issuers, including also investing in financial derivative instruments worldwide. More precisely, the Sub-Fund invests at least 70% of its net assets in securities denominated in non-local currencies of Emerging Markets and issued or guaranteed by Sovereign, Quasi-Sovereign or Corporate entities, without any restriction on the rating.

However, the Sub-Fund may also invest in securities denominated in local currencies of Emerging Markets, in Coco Bonds (up to 10% of the Sub-Fund's net assets), and in bonds with attached warrants (up to 10% of the Sub-Fund's net assets).

The Sub-Fund may be fully invested in securities rated below investment grade as per definition in paragraph 3.2 (including Distressed Securities which may represent up to 5% of the net assets).

The Sub-Fund will not actively invest in equities or convertible bonds but may decide, in a context of a corporate action, to participate in such corporate action and to receive and hold on a temporary basis and having regard to the best interest of the shareholders other types of securities such as, but not limited to, equities or convertible bonds.

Discretion will be used with the selection of sectors, markets, currencies and market capitalisation.

The Sub-Fund is actively managed without reference to a benchmark. However, the Investment Manager may use the JPM EMBI Global Diversified Index for reporting or indicative purposes only.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

The Sub-Fund may invest up to 30% of its net assets in Cash and Cash Equivalents (i) when the Investment Manager deems it appropriate for the implementation of the investment policy (such as investment in derivatives) it being noted that securities that could be qualified as Cash and Cash Equivalents but which are held by the Sub-Fund as part of the implementation of its core investment policy are not subject to the aforementioned 30% limit or (ii) temporarily, in times of increasing volatility when, for instance, the Investment Manager deems the Sub-Fund should be positioned in a defensive way. Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular, but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

The attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund, in particular the Below Investment Grade Risk and Distressed Securities Risk.

### Reference Currency

USD



## Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.50%	Up to 0.60%	Up to 0.70%	Up to 0.80%	Up to 0.80%	N/A
Performance Fees	N/A	N/A	N/A	N/A	N/A	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.45%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\*Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

Payden & Rygel

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

## Profile of Typical investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and potentially capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

## Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the subscriber(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## 27. PrivilEdge – PPM America US Corporate Bond

### Investment Objective and Policy

The Sub-Fund's objective is to outperform the Bloomberg Barclays US Corporate Bond Index (the "Benchmark Index"). The Investment Manager will attempt to achieve such objective by primarily investing in a portfolio of fixed and floating rate debt securities, denominated in USD and issued in the US market by corporate issuers, including debt securities of foreign issuers issued in the US market and debt securities issued simultaneously in the Eurobond and US bond markets.

The Sub-Fund mainly invests in securities that are rated investment grade as per definition in paragraph 3.2. In addition, the Sub-Fund may invest up to 15% of its net assets in ABS/MBS and up to 10% in warrants on transferable securities.

The Investment Manager will always take into consideration the quality and diversity of issuers and sectors, along with the maturity date, and will use its discretion with regard to the selection of instruments (including securities rated below investment grade as per definition in paragraph 3.2), issuers (including sovereign entities), markets, currencies and maturities.

The Sub-Fund may invest up to 10% of its net assets in UCIs.

Under normal market conditions and in accordance with the applicable diversification rules, the Sub-Fund may hold on a temporary and ancillary basis up to 20% of its net assets in Cash and Cash Equivalents.

Subject always to the limits permitted by the Investment Restrictions described in Section 4 of the Prospectus, the Investment Manager is authorized to use financial derivative instruments (in particular but not limited to credit (including CDS), interest rate (including IRS), and currency derivatives):

- for hedging purposes Yes
- for EPM Yes
- as part of the investment strategy No

The **attention of investors is drawn to the Risk Factors Annex which sets out the risk factors applicable to the Sub-Fund.**

### Reference Currency

USD

### Classes of Shares available for subscription

Classes	U	I	N	M	P	S
Type of investor	All investors	All investors	All investors	(i) financial intermediaries who provide discretionary portfolio management or independent advisory services (ii) financial intermediaries who provide other investment services which are subject to separate fee arrangements with their clients and who do not or are not eligible to receive and retain fees or commissions from third parties in relation to those services (iii) other investors determined by the Board or the Management Company in their discretion.	All investors	Institutional investors
Form	A Shares	A Shares	A Shares	A Shares	A Shares	A Shares
	D Shares	D Shares	D Shares	D Shares	D Shares	D Shares

Classes	U	I	N	M	P	S
Minimum investment and holding amount	Equivalent of EUR 25,000,000	Equivalent of EUR 5,000,000	Equivalent of EUR 1,000,000	Equivalent of EUR 3,000	Equivalent of EUR 3,000	As set out in the remuneration agreement entered into with the Company, the Management Company or any entity of the Lombard Odier Group.
Alternative Currencies	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB	EUR / CHF / GBP / SEK / NOK / CAD / AUD / JPY / HKD / SGD / RMB
Maximum FROC	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Management Fees	Up to 0.30%	Up to 0.40%	Up to 0.50%	Up to 0.60%	Up to 0.60%	N/A
Distribution Fees	N/A	N/A	N/A	N/A	Up to 0.40%	N/A
Maximum level of management fees when the Sub-Fund invests its assets in other UCITS or UCIs or Target Sub-Fund*	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%	Up to 3.5%
Dealing Charge	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%	Up to 2%

\*Notwithstanding any performance fee that may be levied in addition to this limit.

### Investment Manager

PPM America, Inc.

### Approach used to calculate the global exposure of the Sub-Fund

Commitment

### Profile of Typical Investor

The Sub-Fund may be appropriate for investors, who:

- seek regular income and the potential for capital gains from their investment;
- are willing to take on the increased risks associated with the categories of assets described in the investment objective and policy; and
- can withstand volatility in the value of their Shares.

### Application procedure

Application monies are to be sent in accordance with the application procedure set out in Section 20 of the Prospectus.

Requests for subscriptions must be received by the Company no later than the Cut-off time.

Payment of the subscription monies must be made in the Reference Currency, or in the Alternative Currency, in case of classes issued in any Alternative Currency, for value before the Payment Date to the Depositary, indicating the proper identity of the investor(s) and the Sub-Fund in which Shares are subscribed.

## Cut-off time

<b>Cut-off time<sup>1</sup> (Luxembourg time) (Subscriptions, redemptions and conversions)</b>	<b>Valuation Day<sup>2</sup> ("T")</b>	<b>Payment Date (Subscriptions and Redemptions)</b>
3 p.m. on T-1 day	Daily	Up to T + 3 days <sup>3</sup>

NB: any reference to a day shall be construed as a reference to a Business Day

<sup>1</sup> If such day is not a Business Day, the first Business Day in Luxembourg preceding this day.

<sup>2</sup> If such Valuation Day is not a Business Day, the Valuation Day will be the next Business Day.

<sup>3</sup> Shareholders are prompted to consult the Lombard Odier Group website ([www.loim.com](http://www.loim.com)) for the applicable Payment Date.

For more details, please refer to paragraph 12.1. "General Provisions" of Section 12 "Issue and sale of Shares".

## APPENDIX B: RISK FACTORS ANNEX

The list of risk factors detailed below does not claim to be an exhaustive description of the risks involved in investing in the Sub-Funds' Shares. Before deciding to subscribe to or purchase Shares, potential investors should read the whole Prospectus carefully and contact their professional advisers to understand the fiscal and other consequences of such an investment based on their personal situation.

Past performance is no guarantee for future returns and the investor may consequently get back less than he/she invested. There is no assurance that the investment objective of the Sub-Funds will actually be achieved or that any appreciation in the value of the assets will occur.

The table below is a summary of the main risks relating to the core portfolio of each Sub-Fund as of the date of the Prospectus. It is not a rigid and exhaustive list of all the potential risks. Investors should bear in mind that risks are interrelated and that the Sub-Funds can be sensitive to any of the risk factors, especially in turbulent market conditions.

Summary of main risks																			
Risks	General	Equities	Small and Medium Sized Capitalisations	Fixed-Income Securities	Currencies	Below Investment Grade	Distressed Securities	Convertible Securities	Contingent Convertible Bonds	Commodities	Undertakings for Collective Investments (above 10%)	ABS/MBS	Real Estate Securities	Emerging Markets	Russian Registration / Investment in Russia	Regional or sectorial concentration	Derivatives (Hedging / EPM)	Derivatives (Investment Strategy)	Model
Sub-Funds																			
Aberdeen Emerging Market All Cap	X	X	X		X									X		X	X		
Ashmore Emerging Market Local Currency Bond	X			X	X	X								X		X	X	X	
AXA IM Short Duration Inflation Bond	X			X													X	X	
Baird US Aggregate Bond	X			X								X				X			
Baird US Short Duration Bond	X			X								X				X			
Columbia US Short Duration High Yield	X			X		X										X	X		
Delaware US Large Cap Value	X	X														X	X		
DPAM European Real Estate	X	X	X	X				X					X			X	X		
Fidelity Technology	X	X	X		X									X		X	X		
Flossbach von Storch Global Convertible Bond	X			X		X	X	X								X	X	X	
Franklin Flexible Euro Aggregate Bond	X			X		X			X			X				X	X	X	
H2O High Conviction Bonds	X			X	X	X		X	X					X		X	X	X	
Henderson Pan European Equity	X	X	X													X	X		

Summary of main risks																			
Risks	General	Equities	Small and Medium Sized Capitalisations	Fixed-Income Securities	Currencies	Below Investment Grade	Distressed Securities	Convertible Securities	Contingent Convertible Bonds	Commodities	Undertakings for Collective Investments (above 10%)	ABS/MBS	Real Estate Securities	Emerging Markets	Russian Registration / Investment in Russia	Regional or sectorial concentration	Derivatives (Hedging / EPM)	Derivatives (Investment Strategy)	Model
Sub-Funds																			
Income Partners RMB Debt	X			X	X	X		X	X					X		X	X	X	
Sands US Growth	X	X	X													X	X		
SMAM Japan Small and Mid Cap	X	X	X													X	X		
Wellington Large Cap US Research	X	X														X	X		
WellsCap US Selective Equity	X	X	X													X	X	X	
William Blair Global Leaders	X	X	X		X									X			X		
William Blair US Small and Mid Cap	X	X	X													X	X		
BlackRock Emerging Market Dynamic Bond	X			X	X	X	X		X			X		X		X	X	X	
JP Morgan Pan European Flexible Equity	X	X														X	X		
Moneta Best of France	X	X	X													X	X		
NN IP Euro Credit	X			X					X							X	X	X	
Payden Emerging Market Debt	X			X		X	X		X					X		X	X	X	
PPM America US Corporate Bond	X			X								X				X	X		
T. Rowe Price European High Yield Bond	X			X		X			X							X	X		

## 1. General Risks

General risks may become correlated in a harmful manner in particular when the Sub-Funds do not face normal market conditions. Therefore, in turbulent market times an increase of one of those risks may not only increase the Sub-Funds exposure to other general risks but may also trigger other risks.

### 1.1 Credit Risk

Credit risk is a general risk that applies to all investments. It is the risk of loss due a debtor's non-payment of a loan or other obligation (either the principal or interest or both). For the Sub-Funds, the debtor may be either the issuer of an underlying security (the "issuer risk") or the counterparty to a transaction, such as an OTC derivative contract, a repurchase or reverse repurchase agreement or a loan of portfolio securities (the "counterparty risk"). The debtor may be a government (the "sovereign risk"). Credit risk is also the risk of loss due to a credit event, other than the debtor's default of payment, such as, but not limited to, the downgrading of a debtor's credit rating or the rescheduling of a debtor's debt.

**Issuer risk** - If an issuer of an underlying fixed income or equity security defaults, the Sub-Fund may lose the full amount invested in such security.

**Counterparty risk** - The Sub-Funds may effect "over-the-counter" transactions or deal in "interdealer" markets. This exposes the Sub-Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Sub-Funds to suffer a loss which may correspond to the full amount exposed with such counterparty. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Sub-Funds have concentrated their transactions with a single or small group of counterparties.

**Sovereign risk** - Where the issuer of the underlying fixed income security is a government or other sovereign issuer, there is a risk that such government is unable or unwilling to meet its obligations, therefore exposing the Sub-Funds to a loss corresponding to the amount invested in such security.

**Systemic risk** - Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Sub-Funds interacts on a daily basis.

## 1.2 Market and Volatility Risk

Market risk is a general risk that applies to all investments. It is the risk that the value of an investment will decrease due to moves in market factors such as exchange rate, interest rate, equity or volatility.

Volatility risk is the likelihood of fluctuations in prices, rates or currencies quoted on different markets. Volatility may impact the Net Asset Value of the Sub-Funds in several ways. As market volatility increases so does the volatility of the Net Asset Value per Share.

## 1.3 Interest Rate Risk

Interest rate risk is the risk that the value of an investment will decrease, due to the variability of interest rates. When interest rates tend to rise, the value of debt securities tend to fall, as does the Net Asset Value per Share of the Sub-Funds invested in debt securities. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Duration is a measure of sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates.

## 1.4 Exchange Rate Risk

Exchange rate risk is a general risk that applies to all Sub-Funds investing in assets in a currency other than the Reference Currency (the "foreign currency"). It is the risk that the value of those assets will decrease, as will the Net Asset Value of the Sub-Funds, due to unfavorable exchange rates. If the currency in which a security is denominated appreciates against the Reference Currency, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security. Currency risks are proportional to the amount of assets of each Sub-Fund held in foreign currencies.

The Sub-Funds may offer classes of Shares in an Alternative Currency. Changes in the exchange rate between the Reference Currency and such Alternative Currency may lead to a depreciation of the value of such Shares as expressed in the Alternative Currency. Even when the exchange rate risk is hedged, there can remain a residual exchange rate risk. Although hedging strategies may not necessarily be used in relation to each class of Share with a Sub-Fund, the financial instruments used to implement such strategies shall be assets/liabilities of the Sub-Fund as a whole (no segregation between classes with a Sub-Fund).

## 1.5 Liquidity Risk

Liquidity risk is the risk that a given asset cannot be traded quickly enough without affecting the price of the asset. In normal market conditions, liquidity risk is low as the Sub-Funds may only invest in eligible assets mentioned in paragraph 4.1. In turbulent market times however, low-volume markets make it difficult for the Sub-Funds to sell their assets at their fair price or to sell them at all. Should the Sub-Funds face large redemption requests in turbulent market times, the Directors may take appropriate measures to protect shareholders' interests.



## **1.6 Unlisted and/or Illiquid Securities Risk**

Sub-Funds may invest or hold a limited part of their net assets (max 10%) in securities that are not (or no longer) listed on exchanges or on a Regulated Market or which may be considered illiquid due to the lack of an active trading market. The Sub-Funds may encounter substantial delays and could incur losses in attempting to sell such securities. Where appropriate, positions in the Sub-Funds' portfolio that are illiquid and do not actively trade will be marked to market, taking into account current market prices, market prices of comparable investments and/or such other factors (e.g. the tenor of the respective instrument) as may be appropriate. To the extent that marking an illiquid investment to market is not practicable, an investment will be carried at fair value, as reasonably determined by the Directors or their delegate. There is no guarantee that fair value will represent the value that will be realized by the Sub-Funds on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. As a result, an investor redeeming his/her Shares from the Sub-Funds prior to realization of such an investment may not participate in gains or losses thereof.

## **1.7 Large Redemption Risk**

Large redemptions of Shares in any of the Sub-Funds within a limited period of time might result in the Sub-Fund being forced to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Shares being redeemed and the remaining outstanding Shares.

## **1.8 Hedging Transactions Risk**

The Sub-Funds may hold financial instruments, both for investment purposes and for hedging or EPM purposes. The success of the Sub-Funds' or Share classes' hedging strategy will depend, in part, upon the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Sub-Funds' or Share classes' hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Sub-Funds or Share classes may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Sub-Funds or Share classes than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instrument utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Sub-Funds or Share classes from achieving the intended hedge or expose the Sub-Funds or Share classes to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk.

## **1.9 SFIs Risk**

SFIs are subject to the risks associated with the underlying investments. Investments in SFIs may entail the risk of loss of principal and/or interest payment as a result of movements in the underlying investments. As such underlying investments may combine financial derivative instruments, SFIs may be subject to greater volatility than direct investments in fixed income and equity securities. In addition, investments in SFIs will expose the Sub-Funds to the credit risk of the counterparty issuing the SFI. In the event of a bankruptcy or insolvency of such counterparty or when the financial institutions issuing such SFIs are facing difficult market conditions, the Sub-Funds may experience delays in liquidating the positions and significant losses as a result of declines in value of the SFIs. The SFIs also entail liquidity risk, as they may not be as liquid as their underlying assets, depending on the market conditions.

## **1.10 Fiscal Risk**

Investors should note in particular that the proceeds from the sale of securities in some markets or the receipt of any dividends or 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 Sub-Funds invest or may invest in the future cannot be definitively established. It is possible therefore that the current interpretation of the law or understanding of practice might change, or that the law might be changed retroactively. It is therefore possible that the Sub-Funds could become subject to additional taxation in such countries where this is not anticipated either at the date of the Prospectus or when investments are made, valued or disposed of.

## 1.11 Administrative Agent and Depositary Risk

The Sub-Funds' operations are carried out by the service providers described in the Prospectus. In the event of bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

The Sub-Funds' assets are held in custody by the Depositary and the duly appointed sub-custodians, which expose the Sub-Funds to risks of loss associated to the depositary function (1) if the Depositary/sub-custodian fails to perform its duties (improper performance) and (2) if the Depositary/sub-custodian defaults.

## 1.12 Securities Lending Risk and Repurchase and Reverse Repurchase Agreement Risk

### (i) Securities Lending

The Sub-Funds may lend their portfolio securities. By doing so, the Sub-Funds attempt to increase income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, the Sub-Funds could experience delays in recovering the securities that have been lent. To the extent that the value of the securities the Sub-Funds lent has increased, the Sub-Funds could experience a loss if such securities are not recovered. Collateral will be received by the Sub-Funds and will be maintained at all times in an amount equal to at least 100% of the total valuation of the securities and for the duration of the loan adjusted by the applicable margin in accordance with the haircut policy described under paragraph 4.5.1 (iii) of the Prospectus.

The Company uses the services of a securities lending agent instead of running its own securities lending programs. Potential conflict of interest may arise in the following situations:

- an arrangement, where the risk entailed by the activity of securities lending is borne by the lender (*i.e.*, the Company) while the revenue arising from such activity is shared between the lender and its agent, could potentially encourage the agent to compromise on the quality of both the collateral and the counterparty; to mitigate such risk, the securities lending agent is required to abide strictly by the securities lending policy put in place by the Management Company and endorsed by the Company;
- a securities lending transaction where the asset to be lent is part of the respective portfolios of several entities for which the same securities lending agent is involved could lead to favor one entity over another; to mitigate such risk, the securities lending agent undertakes to ensure the equal treatment of all participants to a same securities lending transaction and apply a fair allocation between them.

### (ii) Repurchase and Reverse Repurchase Agreement Risk

The Sub-Funds may enter into repurchase and reverse repurchase agreements. The use of repurchase and reverse repurchase agreements by the Sub-Funds involves certain risks. For example, if the seller of securities to a Sub-Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Sub-Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Sub-Fund's ability to dispose of the underlying securities may be restricted. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Sub-Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

The Sub-Funds may enter into repurchase agreements. If the counterparty to the repurchase agreement defaults, a loss may be realized on the sale of the underlying security to the extent that the proceeds from the sale and accrued interest of the security are less than the resale price provided in the repurchase agreement, including interest. In addition, should a counterparty declare bankruptcy or become insolvent, the Sub-Funds may incur delays and costs in selling the underlying security or may suffer a loss of principal and interest.

### (iii) Performance Risk in respect of the use of EPM techniques

While the Sub-Funds seek to generate additional revenues, the overall performance of the Sub-Funds employing such techniques may be adversely affected in the event that one of the risks mentioned above materializes and leads to a loss.

### 1.13 Operational Risk

Operational risk is a general risk that applies to all Sub-Funds when carrying operations on behalf of these Sub-Funds as part of their respective investment policy. Such risk materializes through operational errors which includes, *inter alia*, trading errors and similar human errors, such as keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. The Management Company or, as the case may be the Investment Managers, their members, directors, shareholders, officers, employees and affiliates, their respective legal representatives (each, an "Indemnified Party"), shall not be liable to the Company or its shareholders for any losses resulting from operational errors, except such losses resulting from fraud, wilful default or negligence of the Indemnified Party. The foregoing provisions shall not be construed to relieve any Indemnified Party of any liability, to the extent that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate these provisions to the fullest extent permitted by law and regulations.

### 1.14 Regulatory Risk

**General** - Due to numerous regulatory reforms currently undertaken, there is a risk that the investment policy of the Sub-Funds may be affected and that further restrictions may limit the ability of the Sub-Funds to hold certain instruments or enter into certain transactions and impair the Sub-Funds' capability of achieving their initial respective investment objectives. In order to comply with new or modified laws, rules and regulations it cannot be excluded that restructuring or termination of a given Sub-Fund may be necessary and additional costs may be incurred. A non-exhaustive list of potential regulatory changes in the EU and the United States of America are listed below.

**EU** - The EU is currently addressing the following topics (list not exhaustive):

- the consultation initiated by the European Commission on product rules, liquidity management, depositary, money market funds, long-term investments in view to another UCITS directive ("UCITS VI Directive");
- specific matters relating to UCITS and dealt with by ESMA - the role of ESMA is to achieve greater consistency in day to day application of EU legislation in the security markets field and it plays an active role in building a common EU supervisory culture and consistent supervisory practice, including by providing opinions and issuing guidelines and recommendations which are a central reference for the work of national regulators; and
- the proposal for the EU Financial Transaction Tax ("EU FTT").

**United States of America** - Regulators in the United States are taking or have taken actions on the following topics (list not exhaustive):

- the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") imposed the so-called "Volcker Rule" which restricts, "banking entities" and "non-bank financial companies" from engaging in certain activities, such as proprietary trading and investing in, sponsoring, or holding interests in investment funds;
- the Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions on FATCA. The purpose of FATCA is to reduce tax evasions by US citizens by having details of US investors holding assets outside the US reported by FFIs to the US Internal Revenue Service. As a result of the Hire Act, and to discourage FFIs from staying outside this regime, all US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income (the "FATCA Withholding"). This regime has become effective in phases between 1 July 2014 and 2017. On 28 March 2014, the US and the Grand Duchy of Luxembourg entered into a model 1 intergovernmental agreement ("IGA") and a memorandum of understanding in respect thereof in order to facilitate the compliance with the provisions of FATCA. On 29 July 2015, the law of 24 July 2015 approving the IGA between the Grand Duchy of Luxembourg and the US was published (the "FATCA Luxembourg Law"). The Company, through its Sub-Funds, qualifies as a FFI. According to FATCA, the IGA and the FATCA Luxembourg Law, a FFI can qualify as either a "reporting" FFI or a "non-reporting" FFI. Depending on the status of "reporting" or "non-reporting" FFI attributable to the Company, it may be obliged to require all shareholders to provide mandatory documentary evidence of their tax residence and report certain data to the Luxembourg authority on reportable accounts and/or impose restrictions on the offering and selling of Shares to certain categories of investors with no duty to report or withhold on US source gross sales proceeds or income (see paragraph 12.2). It should also be noted that although the Company will make all reasonable efforts to comply with all FATCA obligations, no assurance can be given that it will be able to satisfy such obligations and therefore avoid the FATCA Withholding which may have adverse impact on all shareholders. Investors are further advised to consult their own legal and tax advisor regarding the possible implications of FATCA on their investment in the Company.

## 2. Risks Linked to Certain Sub-Funds

### 2.1 Equity Risk

The risks associated with investment in equity (and equity-like) securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company. Prices of equities fluctuate daily and can be influenced by many micro and macro factors such as political and economic news, corporate earnings reports and catastrophic events. The value of equities will go up and down and the value of a Sub-Fund investing in equities could incur significant losses.

Sub-Funds may invest in initial public offerings ("IPOs"). There is a risk that the price of the newly floated share may incur greater volatility as a result of factors such as the absence of an existing public market, non-seasonal transactions, a limited number of securities that can be traded and a lack of information about the issuer.

### 2.2 Small and Medium-Sized Capitalisation Risk

Stocks of small-to medium-sized capitalisation companies often traded on OTC markets may be less liquid than those listed on the major securities exchanges. Consequently, securities of small and even medium-sized cap companies may, from time to time, and especially in falling markets, become illiquid and experience short-term price volatility and wide spreads between bid and offer prices. The combination of price volatility and the limited liquidity of those markets may have an adverse effect on the investment performance of the Sub-Funds. Further the risk of bankruptcy or insolvency of many smaller companies is higher than that of larger, "blue chip", companies.

### 2.3 Fixed Income Securities Risk

The risks associated with investment in bonds or others fixed income securities include credit, liquidity and interest rate risks.

### 2.4 Currency Risk

The Sub-Funds may be exposed to currency exchange risk. The Sub-Funds may invest in currencies different from their Reference Currency. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the Reference Currency of a Sub-Fund should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the Reference Currency of the Sub-Fund and such other currency. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments. Some currencies are not freely convertible currency.

Furthermore, a Sub-Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Sub-Fund at one rate, while offering a lesser rate of exchange should the Sub-Fund desire immediately to resell that currency to the dealer. The Sub-Fund will conduct its currency exchange transactions either on a spot (*i.e.* cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-Reference Currency currencies. It is anticipated that most of the Sub-Funds' currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or the Depository.

Investors should also be aware that since 2005, the RMB exchange rate is no longer pegged to the USD. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Republic of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange

control policies and repatriation restrictions. Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point. The offshore RMB (CNH) market allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks).

## **2.5 Below Investment Grade Risk and Distressed Securities Risk**

In addition to the two risks detailed below, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

### **Below Investment Grade Risk**

Investment in debt securities or associated instruments rated BB or below (following Standard & Poor's, Moody's or equivalent), or of equivalent quality in the opinion of the Investment Manager, can involve additional risks. Securities rated BB or equivalent are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. They are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. The ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. Under such circumstances, the returns generated from the Company's investments may not compensate the shareholders adequately for the risks assumed.

### **Distressed Securities Risk**

Securities rated lower than B, and in particular Distressed Securities, are most of the time issued by companies in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. These obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Investments in these securities will only be made when the Investment Manager believes either that the security trades at a materially different level from the Investment Manager's perception of fair value or that it is reasonably likely that the issuer of the securities will make a restructuring (like an exchange offer or a plan of reorganization). Such securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer. The ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and the bankruptcy court's power to disallow, reduce, subordinate, recharacterise debt as equity or disenfranchise particular claims. There is no assurance that value of the assets collateralising the Company's investments will be sufficient or that prospects for a successful reorganisation or similar action like an exchange offer will be made or that any securities or other assets received in connection with an exchange offer or plan of reorganisation will not have a lower value or income potential than anticipated when the investment was made. In any reorganisation or liquidation proceeding relating to a company in which the Company invests, the Company may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time and/or there may be a requirement to bear certain expenses to protect the investing Company's interest in the course of negotiations surrounding any potential exchange or plan of reorganisation. Under such circumstances, the returns generated from the Company's investments may not compensate the shareholders adequately for the risks assumed.

## **2.6 Convertible Securities Risk**

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities,

(ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Sub-Fund is called for redemption, the Sub-Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Sub-Fund.

## **2.7 Contingent Convertible Bonds Risk**

Contingent convertible bonds (hereafter "Coco Bonds") are debt instruments that transform into shares of equity or are written off upon a triggering event. The investment in Coco Bonds is subject to different risks which may result in the total or partial loss of the invested sums or a delay in payment. These situations may adversely affect the Sub-Funds.

Investment in Coco Bonds may entail the following risks (non-exhaustive list):

### **Trigger level risk**

Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager of the Sub-Fund to anticipate the triggering events that would require the debt to convert into equity.

Triggers are designed so that conversion occurs when the issuer faces a given crisis situation, as determined either by regulatory assessment or objective losses (e.g. measure of the issuer's core tier 1 prudential capital ratio). As a particular form of convertible securities, Coco Bonds have some characteristics common to those of the convertible securities as described above but have a distinctive feature which is their debt-to-equity conversion trigger.

### **Coupon cancellation risk**

For some Coco Bonds coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time. For some Coco Bonds the cancelled coupon payments do not accumulate and are instead written off. This may lead to mispricing of the risk related to the investment in Coco Bonds.

### **Capital structure inversion risk**

Contrary to classical capital hierarchy, Coco Bonds' investors (i) may suffer a loss of capital when equity holders do not suffer a loss or (ii) may suffer a loss ahead of equity holders. The Coco Bonds' investors may see their coupons cancelled while the issuer continues to pay dividends on its common equity.

### **Call extension risk**

Some Coco Bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual Coco Bonds will be called on the call date. The Coco Bonds' investors may not receive return of principal as expected on a call date or, indeed, at any date.

### **Unknown risk**

The structure of Coco Bonds is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, it is difficult to predict whether the market will view the issue as an idiosyncratic or rather as a systemic event. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, in an illiquid market, price formation may be increasingly stressed.

### **Yield/valuation risk**

Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, Coco Bonds tend to compare favorably from a yield standpoint. Some investors may be drawn to the Coco Bonds as a result of their attractive yield which may be viewed as a complexity premium.



### **Conversion risk**

Coco Bonds entail uncertainty and conversion risks, amongst others, to the difficulty of predicting triggering events that would require the debt to convert to equity.

With respect to conversion risks, there remain uncertainties as to how these securities will behave upon conversion: for instance, conversion triggers will generate newly converted equities to holders of Coco Bonds who may want or be required to sell immediately upon conversion the new equities entailing a decrease of the price of the stock of the issuer. In particular, the investment manager might be forced to sell the new equities because of the investment policy of a Sub-Fund which would not allow equity in its portfolio.

### **Write down risk**

Coco Bonds qualify as securities with hybrid character which insofar as they are issued in the form of bonds may lose their nominal value (*i.e.* be permanently written down to zero of principal investment and/or accrued interest) or, following a trigger event, may be converted in equity (see above under "Conversion risk").

### **Sector concentration risk**

Coco Bonds are issued by banking/insurance institutions. If a Sub-Fund invests significantly in Coco Bonds its performance will depend to a greater extent on the overall condition of the financial services industry than a Sub-Fund following a more diversified strategy.

### **Liquidity risk**

In certain circumstances finding a ready buyer for Coco Bonds may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

## **2.8 Commodity Risk**

Though the Company is prohibited to make investments in, or enter into transactions involving commodities, commodities contracts, or certificates representing commodities, they may seek to be exposed to commodities via units of UCI, equity securities or index based derivative instruments. Prices of commodities are influenced by, among other things, various macro-economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary, and exchange control programmes and policies of governments and other unforeseeable events. The prices of commodities may be highly volatile.

## **2.9 UCIs Risk**

Underlying UCIs in which Sub-Funds may invest may be valued by administrators resulting in valuations which are not verified by an independent third party on a regular or timely basis. Accordingly, there is a risk that (i) the valuations of the Sub-Funds may not reflect the true value of underlying investment vehicles holdings held by the Sub-Funds at a specific time which could result in losses or inaccurate pricing for the Sub-Funds and/or (ii) the valuations may not be available on the Valuation Day so that some of the assets of the Sub-Funds may be valued on an estimated basis.

For some of these underlying UCIs, the custodian may be a broker instead of a bank. Such brokers do not, in some cases, have the same credit rating as a bank. Moreover, the legislation applicable to underlying UCIs may provide that the custodian's duties be limited to the custody of assets and will not include supervisory duties similar to those which must be carried out by a custodian of a Luxembourg UCI.

Furthermore, some of these underlying UCIs may have auditors that do not use monitoring measures similar to those required for the Luxembourg investment funds.

## **2.10 Financial Derivative Instruments Risk**

### **a. Valuation risk**

Many financial derivative instruments, in particular OTC financial derivative instruments, are complex, difficult to value and often valued subjectively and the valuation may only be provided by a limited number of market professionals. The replacement value of an OTC derivative transaction may differ from the liquidation value of such transaction, and the valuations provided by the Sub-Fund's counterparty to such transaction may differ from the valuation provided by a

third party or the value upon liquidation. A counterparty might cease making a market or quoting prices for some of the instruments. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-Fund.

**b. Volatility**

The price of a financial derivative instrument can be very volatile. This is because a small movement in the price of the underlying security, index, interest rate or currency may result in a substantial movement in the price of the financial derivative instrument. Investment in financial derivative instruments may result in losses in excess of the amount invested.

**c. Correlation**

Financial derivative instruments do not always perfectly or even highly correlate or track the value of the underlying assets they are designed to track. Consequently, a Sub-Fund's use of financial derivative instruments techniques may not always be an effective means of, and sometimes could be counter-productive to, following a Sub-Fund's investment objective.

**d. Short Exposure**

Although the Company may not carry out uncovered sales of transferable securities, some Sub-Funds may, as part of their investment strategy, use financial derivative instruments to seek short exposure to such transferable securities. The Sub-Funds may face substantial loss should the price of the transferable securities increase.

**e. Leverage**

The Sub-Funds will not use borrowing to purchase additional investments but a Sub-Fund using financial derivative instruments as part of its investment strategy may be expected to be leveraged (gross market exposure, aggregating both long and synthetic short positions, in excess of net asset value).

While leverage presents opportunities for increasing the Sub-Fund's total return, it also has the potential of increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Sub-Fund would be magnified to the extent the Sub-Fund is leveraged. The cumulative effect of the use of leverage by the Sub-Fund in a market that moves adversely to the Sub-Fund's investments could result in a substantial loss to the Sub-Fund.

**f. Counterparty Risk (OTC derivative transactions)**

The Sub-Funds may enter into derivatives transactions in over-the-counter markets, which will expose the Sub-Funds to the credit risk of their counterparties and their inability to satisfy the terms of such contracts as mentioned in the clause of counterparty risk above.

The Sub-Funds might also be unable to close out when they wish to end or to enter into an offsetting OTC transaction with respect to an open position, which might adversely affect their performance. The closing-out of an OTC derivative transaction may only be made with the consent of the counterparty to the transaction.

**g. Control and Monitoring**

Financial derivative instruments are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the financial derivative instruments but also of the financial derivative instruments themselves, without the benefit of observing the performance of the financial derivative instruments under all possible market conditions. In particular, the use and complexity of financial derivative instruments require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that financial derivative instruments add to the Sub-Funds and the ability to forecast the relative price, interest rate or currency rate movements of the underlying assets correctly. There is no guarantee that a particular forecast will be correct or that an investment strategy which deploys financial derivative instruments will be successful.

**h. Collateral**

Under the terms of the ISDA Agreements and related Collateral Support Annexes which the Company has with each of its OTC counterparties, the Company and its respective ISDA Counterparties have an obligation to collateralise their exposure to one another on a mark to market basis. Collateral transferred by the Company to its ISDA counterparties is transferred with full legal title.

**i. Limited recourse**

The Company has an umbrella structure with multiple compartments (each compartment being referred to as a Sub-Fund). Each Sub-Fund, although not a separate legal entity, corresponds to a distinct part of the assets and liabilities of



the Company under Luxembourg law, and consequently benefits from limited liability in accordance with the provisions of the Company's constitutive documents and Luxembourg law. When dealing for the account of a specified Sub-Fund, the Company will endeavour where possible to obtain a contractual acknowledgement from trading counterparties (each a "Counterparty") that the Company's obligation to that Counterparty will be limited to the assets of the specified Sub-Fund and that the Counterparty shall have no recourse to the assets of any other Sub-Fund. It may not however always be possible to obtain such an acknowledgement and in the event that (i) a Counterparty holds assets of more than one Sub-Fund; and (ii) the courts of the jurisdiction in which the assets are situated do not uphold the Luxembourg principle of limited liability as mentioned above, it is possible that the assets of one Sub-Fund could be used to satisfy the obligations of another Sub-Fund.

**j. Options / Warrants**

An option is a contract that gives the buyer the right, but not the obligation, to buy (call) or sell (put) the underlying asset at or within a certain point in time in the future at a pre-determined price (strike price) against the payment of a premium, which represent the maximum loss for the buyer of an option.

Options can allow the Investment Manager to cost-effectively be able to restrict downsides while enjoying the full upside of a stock, financial index, etc. Long positions in option may be taken to provide insurance against adverse movements in the underlying. Short position may also be taken to enhance total returns and generate income for the Sub-Fund via premium received. The writing and purchase of options is a specialised activity which can involve substantial risks. If the Investment Manager is incorrect in its expectation of changes in the market prices or determination of the correlation between the instruments or indices on which the options are written or purchased and the instruments in a Sub-Fund's investment portfolio, the Sub-Fund may incur losses that it would not otherwise incur.

A warrant is a certificate that entitles the holder to buy a specific amount of the underlying security of the issuing company at a pre-determined price until the expiry date, against the payment of a premium. Warrants are very similar to call options but there are some key differences such as, (i) warrants are issued by private parties, typically the corporation on which a warrant is based, (ii) warrants are considered over-the-counter instruments, (iii) warrants are not standardized like exchange-listed options, (iv) warrants can usually not be shorted by investors.

**k. Forwards**

A forward is a contract whereby two parties agree to exchange the underlying asset at a predetermined point in time in the future at a fixed price. The buyer agrees today to buy a certain asset in the future and the seller agrees to deliver that asset at that point in time.

Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward trading is substantially unregulated; there is no limitation on daily price movements. The principals who deal in the forward markets are not required to continue to make markets in the underlying securities they trade and these markets may experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market traded by the Sub-Funds due to unusually high trading volume, political intervention or other factors. In respect of such trading, the Sub-Fund is subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Sub-Funds.

**l. Futures**

Futures are standardised forwards traded on an organized exchange. 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 investor. 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.

**m. Contract for Difference**

A CFD is a contract between two parties that allows them to gain exposure to the economic performance and cash flows of a security without the need for actually buying or selling the security. The two parties agree that the seller will pay the buyer the difference in price after a certain period of time if the designated security's price increases, and the buyer will in return pay the seller the difference in price if the security's price decreases. It is linked to the underlying security price. Consequently, no right is acquired or obligation incurred relating to the underlying share.

The Sub-Funds can take synthetic long or synthetic short positions with a variable margin via CFD. They are highly leveraged instruments and for a small deposit, it is possible for a Sub-Fund to hold a position much greater than would be possible with a traditional investment. In case of substantial and adverse market movements, the potential exists to lose all of the money originally deposited and to remain liable to pay additional funds immediately to maintain the margin requirement.

**n. Swaps (including IRS and TRS)**

In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular pre-determined investments or instruments.

The Sub-Funds may enter swap transactions with a view to effecting synthetic long and short positions in certain securities, sectors or indices, including commodities indices. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Sub-Funds' exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, inflation rates, or other factors such as single equity securities, baskets of equity securities or equity indices. Swap agreements can take many different forms and are known by a variety of names.

An IRS is an agreement to exchange one set of cash flows (perceived as risky, as linked to e.g. a floating interest rate) against another set of cash flows (perceived as stable, as linked to, e.g. a fixed interest rate).

A TRS is an agreement that involves the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset (such as for example an equity), index or basket of assets against the rights to make fixed or floating payments or another equity return.

The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Sub-Fund. If a swap agreement calls for payments by the Sub-Fund, the Sub-Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Sub-Fund.

The swap market has grown substantially in recent years with a large number of banks and investment banking firms, acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap.

**o. Credit Default Swaps**

A CDS is an agreement in which one party buys protection against losses occurring due to a credit event of a reference entity up to the maturity date of the swap. The protection buyer pays a periodic fee for this protection up to the maturity date, unless a credit event triggers the contingent payment. In the latter case, the buyer of protection only needs to pay the accrued fee up to the day of the credit event. If a credit event occurs, the settlement will be either in cash or physical: (i) Cash settlement: the seller of protection will pay to the buyer of protection the net amount between the nominal value and the market value of the security; (ii) Physical settlement: the buyer of protection will deliver a bond or a loan of the reference entity to the seller of protection and the latter will pay the par value in return. Credit events for CDS are typically: bankruptcy, failure to pay, and restructuring.

The Sub-Funds can take synthetic long or short positions in certain securities via CDS. The use of CDS may carry a higher risk than investing in bonds directly. A CDS allows the transfer of default risk. CDS can either serve as a substitute for purchasing corporate bonds or they can hedge specific corporate bond exposure or reduce exposure to credit basis risk. If the Sub-Fund is a buyer and no event of default occurs, the Sub-Fund will lose its investment and recover nothing. However, if an event of default occurs, the buyer Sub-Fund will receive the amount above mentioned depending on cash or physical settlement. If the Sub-Fund is a seller, it will receive a fixed rate of income throughout the term of the contract provided no credit event occurs. In the latter case, the Sub-Fund will have to pay the amount provided in the contract.

All Sub-Funds using Credit Default Swaps may, in the case of a credit event, have to accept delivery of non-investment-grade bonds issued in a currency other than the Reference Currency. The delivery of such non-investment-grade bonds in a currency other than the Reference Currency will not be regarded as a breach of investment policy for those Sub-Funds which may only be invested in investment-grade-bonds or in bonds issued in the Reference Currency.

The market for CDS may sometimes be more illiquid than bond markets.

## 2.11 ABS Risk and MBS Risk

ABS and MBS are securities backed by financial assets whose nature varies and determine the qualification of the security.

MBS are securities that represent direct or indirect participation in, or are collateralized by and payable from, mortgage loans secured by real property or instruments derived from such loans. The payment of principal and interest and the price of a MBS generally depend on the cash flows generated by the underlying mortgages and the terms of the MBS. MBS are backed by different types of mortgages, including commercial and residential properties. MBS are issued by government and non-government entities and include various types of securities such as pass-throughs, collateralized mortgage obligations and stripped MBS.

Certain MBS represent interests in pools of mortgage loans assembled for sale to investors by various governmental agencies, such as the US Government National Mortgage Association (GNMA), by government-related organizations, such as the U.S. Federal National Mortgage Association (FNMA) and the U.S. Federal Home Loan Mortgage Corporation (FHLMC), and by private issuers, such as commercial banks, savings and loan institutions and mortgage companies.

Private, government, or government-related entities may create mortgage loan pools offering pass-through investments. Interests in pools of mortgage-related securities differ from other forms of debt instruments, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or specified call dates. Instead, these securities typically provide a monthly payment which consists of both interest and principal payments. These payments generally are a “pass-through” of the monthly payments made by the individual borrowers on their residential or commercial loans, net of any fees paid to the issuer or guarantor of such securities. Additional payments are caused by repayments of principal resulting from the sale of the underlying property, refinancing or foreclosure, net of fees or costs incurred. Pass-through securities issued by the U.S. Federal National Mortgage Association (FNMA) and the U.S. Federal Home Loan Mortgage Corporation (FHLMC) are guaranteed as to timely payment of principal and interest by the U.S. Federal National Mortgage Association (FNMA) and the U.S. Federal Home Loan Mortgage Corporation (FHLMC). Private MBS represent interest in pools consisting of residential or commercial mortgage loans created by non-government issuers, such as commercial banks and savings and loan associations and private mortgage companies. Private MBS securities may be subject to greater credit risk and be more volatile than government or government-related MBS. In addition, private MBS may be less liquid than government or government-related MBS.

Collateralized mortgage obligations are debt obligations of a legal entity that are collateralized by mortgages. They are typically rated by a rating agency and are structured into multiple classes, often referred to as “tranches”, with each class bearing a different stated maturity and entitled to a different schedule for payments of principal and interest, including pre-payments. The shorter, more senior tranches will generally be lower risk than the longer dated, more junior tranches.

Stripped MBS are derivative multi-class MBS. Stripped MBS may be issued by agencies or instrumentalities of the U.S. government, or by private originators of, or investors in, mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks, and special purpose entities formed or sponsored by any of the foregoing. Stripped MBS may be less liquid than other types of MBS. Stripped MBS are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. A common type of Stripped MBS will have one class receiving some of the interest and most of the principal from the mortgage assets, while the other class will receive most of the interest and the remainder of the principal. In the most extreme case, one class will receive all of the interest (interest-only), while the other class will receive all of the principal (principal-only).

ABS are very similar to MBS, except that the securities are collateralized by other types of assets besides mortgages, such as credit card receivables, home-equity loans, manufactured homes, automobile loans, student loans, equipment leases, or senior bank loans, among others. The assets can be a pool of assets or a single asset. ABS that represent an interest in a pool of assets provide greater credit diversification than ABS that represent an interest in a single asset. Payment of interest and repayment of principal on ABS may be largely dependent upon the cash flows generated by the underlying assets and, in certain cases, may be supported by letters of credit, surety bonds, or other credit enhancements.

The credit quality of ABS depends primarily on the quality of the underlying assets, the rights of recourse available against the underlying assets and/or the issuer, the level of credit enhancement, if any, provided for the securities, and the credit quality of the credit-support provider, if any. The value of ABS may be affected by the various factors, such as changes in interest rates, the availability of information concerning the pool and its structure, the creditworthiness of the servicing agent for the pool, the originator of the underlying assets, or the entities providing the credit enhancement. ABS that do not have the benefit of a security interest in the underlying assets present certain additional risks that are not present with ABS that do have a security interest in the underlying assets.

MBS and ABS are subject to pre-payment, extension and default risks.

**Prepayment risk** is the risk that principal is paid back over the life of the security rather than at maturity, as the underlying obligations are subject to unscheduled pre-payments of principal before the security's maturity date due to voluntary prepayments, refinancings or foreclosures on the underlying loans. Some types of ABS are often subject to more rapid repayment than their stated maturity date would indicate, as a result of the pass-through of prepayments of principal on the underlying assets. The rate of principal payments on these ABS is related to the rate of principal payments on the underlying asset pool and related to the priority of payment of the security with respect to the asset pool. The occurrence of prepayments is a function of several factors, such as the level of interest rates, general economic conditions, the location, and age of the underlying obligations, asset default and recovery rates, and other social and demographic conditions. Because prepayments of principal generally occur when interest rates are declining, an investor generally has to reinvest the proceeds of such prepayments at lower interest rates than those at which its assets were previously invested. Therefore, these ABS may have less potential for capital appreciation in periods of falling interest rates than other income-bearing securities of comparable maturity. Also, the interest-only and principal-only securities mentioned above are highly sensitive to the pre-payment experience associated with the underlying mortgages and will behave in opposite ways to the same trend in pre-payments. For interest-only securities, early pre-payments within the pool will mean less than expected interest payments since the mortgages will have terminated, adversely affecting security holders. For principal-only securities, early pre-payments within the pool will mean quicker repayment of principal than expected, benefiting security holders. Because of the highly sensitive nature of these securities, the possibility of sharp declines in prices is much greater compared to conventional MBS.

**Extension risk** is the risk that debt obligations will be paid off more slowly than originally anticipated, increasing the average life of such debt obligations and the sensitivity of the prices of such debt obligations to future interest rate changes. For example, rising interest rates could cause property owners to pay their mortgages more slowly than expected, resulting in slower payments of mortgage backed debt obligations. This could lengthen the duration of the debt obligation, making its price more sensitive to interest rate changes, and increase the potential for loss.

**Default risk** is the risk of default on the underlying assets that back the security. Weakening credit fundamentals associated with the underlying assets that back ABS/MBS securities may cause default rates to rise, which would result in a decline in the value of ABS/MBS obligations.

Because of their specific features, ABS/MBS may also be subject to higher interest rate, credit, and liquidity risks than other debt securities such as government bonds.

ABS/MBS may be structured as synthetic securities. For example, the CMBX is a credit default swap on a basket of commercial MBS bonds, constituting in effect a CMBS index. By purchasing such an instrument, the Sub-Funds are buying protection (i.e. the ability to get par for the bonds in the event of an unfavorable credit event), allowing the Sub-Funds to hedge their exposure or go short the commercial MBS sector. By selling such an instrument short and holding cash against the potential obligation to purchase it, the Sub-Funds are selling protection and effectively getting long exposure to the commercial MBS sector more quickly and efficiently than by purchasing individual bonds. The risks associated with such synthetic instruments are comparable to those of the underlying ABS or MBS securities that the instruments are seeking to replicate, in addition to the risk that the synthetic instruments themselves do not perform as intended due to adverse market conditions.

If any of the risk mentioned above materializes, the Sub-Funds may fail to recoup some or all of their initial investment in the securities, notwithstanding the existence of mechanisms such as credit enhancement or seniority.

## 2.12 Real Estate Securities Risk

Investing in real estate companies and Real Estate Investment Trusts ("REITs") may result in risks similar to those associated with the direct ownership of real estate.

These risks include: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnation losses, environmental risks, regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, acts that destroy real property, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of real estate.

Also, some REITs may invest in a limited number of properties, in a narrow geographic area or in a single property type, which increases the risk that an investment could be unfavourably affected by the poor performance of a single investment or investment type. These companies are also sensitive to the management skill and creditworthiness of the issuer. Many issuers of real estate related securities are highly leveraged, which increases the risk to holders of such securities. The value of the securities the Sub-Fund buys will not necessarily track the value of the underlying investments of the issuers of such securities. In addition,

REITs may also be affected by tax and regulatory requirements in that a REIT may not qualify for preferential tax treatments or exemptions.

## 2.13 Emerging Market Risk

**General** - In Emerging Markets, to which the Sub-Funds may be exposed, the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their counterparties. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable. Such risks may include (i) increased risk of nationalisation, expropriation of assets, forced mergers of companies, creation of government monopolies, confiscatory taxation or price controls; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity, low trading volumes and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for any major currency and/or restriction on the buying or selling by foreign investors; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in accounting, auditing and financial reporting standards, methods, practices and disclosures which may result in the unavailability or incompleteness or tardiness of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; (xii) less protection through registration of assets; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders and (xiv) less formalised procedures for corporate actions (no central source of identification, no formal notification) and proxy voting.

**Exchange Rate Fluctuations Risk** - In accordance with the investment objectives of certain Sub-Funds, the assets will be invested primarily in securities of companies in developing countries and substantially all income will be received by these Sub-Funds in currencies of such countries. A number of the currencies of developing countries have already experienced and could experience significant declines against the major currencies in recent years and devaluation may occur suddenly. Where possible, hedging strategies will be implemented but they cannot totally eliminate unfavorable currency fluctuations. Some currencies are not freely convertible currencies.

**Custody Risk** - The Company may also have to utilise local service providers for the safekeeping of the assets and for the execution of securities transactions. Although the Company intends to use only the best-qualified service providers in each of the markets concerned, the choice of providers in some emerging countries may be very limited. These providers may not offer guarantees comparable to those given by firms operating in developed countries. Accordingly, the quality of the services that the Company may obtain with regard to the execution of transactions on securities and their custody may be less reliable.

**Settlement and Trading Risk** - Settlement systems in Emerging Markets may be less well organized than in developed markets. Emerging Markets may not employ true Delivery versus Payment. Thus, there may be risks that settlement may be delayed and that cash or securities of these Sub-Funds may be in jeopardy because of failures of or defects in the systems. In particular, market practice may require that payment be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. Exchanges on Emerging Markets may not have a settlement guarantee fund in case of temporary securities or cash shortfalls or in the event of a counterparty default or broker malpractice. The Company will seek, where possible, to use counterparties whose financial status is such that the risk of default is reduced, but the risk of losses resulting from default cannot be totally eliminated. Some markets may have specific trading restrictions.

**Registration of Securities** - In some countries, there is no recognition of "nominee" ownership. Registration must be done with the issuer in the final beneficial owner's name.

**Regulatory Risk** - Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result, the Company may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of the Company are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Company and its operations. In addition, the income and gains of the Sub-Funds may be subject to withholding taxes imposed by foreign governments for which unitholders may not receive a full foreign tax credit.

**Investment and Repatriation Restrictions Risk** - Some countries prohibit or impose substantial restrictions on investments by foreign entities. Certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some developing countries. It may have an adverse impact on the operations of a Sub-Fund. While the Sub-Funds will invest only in markets where these restrictions are considered acceptable, new or additional restrictions might be imposed subsequent to the initial investment and thus may restrict the Investment Manager's ability to manage effectively such assets and could ultimately result in a substantial loss.

**Liquidity Risk** - As these Sub-Funds invest a high proportion of their assets in Emerging-Market securities which tend to be less liquid than those of developed markets, investors should consider a shareholding in these Sub-Funds to be a long-term investment and be aware that it may not always be possible to make redemption payments within the usual time frame (see Section 13).

**Investment in PRC** - The securities markets in the PRC are Emerging Markets that are undergoing rapid growth and changes. Most PRC laws and regulations governing securities and corporations might be subject to unpredictable changes and development. The effect of such changes can be retrospective and can have an adverse impact on the investments of the Sub-Funds. With respect to A-shares, only PRC investors or selected institutional investors which have gained QFII/RQFII status are entitled to invest in the A-share market. There are rules and restrictions under current QFII regulations including rules on investment restrictions, minimum investment holding periods, and repatriation of principal and profits.

Additionally, the introduction of the RQFIIs scheme in December 2011 allows asset management companies who have been approved by the CSRC to invest directly in onshore RMB (CNY) securities through RQFII quotas granted by the SAFE.

Dealing in onshore RMB (CNY) denominated fixed income securities is therefore also restricted to licensed investors and the ability of the investor to repatriate its capital invested in those securities may be limited at times. Due to issues relating to liquidity and repatriation of capital, the Company may determine from time to time that making direct investments in certain securities may not be appropriate for a UCITS. As a result, the Company may choose to gain exposure to Chinese securities indirectly and may be unable to gain full exposure to the Chinese markets.

Trading China A-Shares, if contemplated by a Sub-Fund, will be achieved through the Shanghai-Hong Kong Stock Connect ("Stock Connect", please also see the Definitions section). Stock Connect is still developing and will be open to all investors without the requirement of a licence and there are only limited restrictions relating to, inter alia, settlement currency, locking up the proceeds of sale or delaying repatriation of those proceeds. A particular risk around Stock Connect is the manner in which assets are held as part of the Stock Connect and ensuring proper segregation of those assets. Compared to a clearing system in a non-Emerging Market, there is a greater risk of assets being lost or being unable to be properly identified as belonging to the Company when utilizing Stock Connect. The Company may commence recourse to Stock Connect for a Sub-Fund only when it is reasonably satisfied that such trading facility is permissible according to the relevant laws and regulations applicable to the Company. Also, a Sub-Fund may seek exposure to China A-Shares using market access products such as warrants and participating or "P" notes or other forms of structured products or derivatives with a similar purpose.

Although the above mentioned trading facilities are signs of a greater internationalization of the RMB and the liberalization of China's financial markets, it should also be noted that (i) China A-Shares held through Stock Connect directly or via market access products may have limited voting rights and (ii) the renminbi is subject to foreign exchange restrictions and is not a fully convertible currency. The exchange rate used for the Sub-Funds is in relation to the offshore renminbi ("CNH"), not the onshore renminbi ("CNY"). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including those mentioned above.

### **Risks relating to Stock Connect**

Under Stock Connect, the Company through its Hong Kong brokers may trade certain eligible securities listed and traded on the SSE, including China A-Shares (the "SSE Securities"). Such trading is subject to the laws and regulations of PRC and Hong Kong and the relevant rules, policies or guidelines issued from time to time.

#### **Segregation and beneficial ownership of SSE Securities**

The SSE Securities are held in a nominee account in the name of HKSCC, opened with ChinaClear, which is an omnibus account in which all SSE Securities of the investors of Stock Connect are commingled. The SSE Securities are beneficially owned by the investors (a Sub-Fund) and are segregated from the own assets of HKSCC.



In addition, the SSE Securities beneficially owned by investors (including a Sub-Fund) will be segregated in the accounts opened with HKSCC by relevant sub-custodians, and in the accounts opened with the relevant sub-custodians of such Sub-Fund in the CCASS maintained by the HKSCC as the central securities depository in Hong Kong.

PRC laws suggest that the Sub-Fund would have beneficial ownership of SSE Securities. It is expressly stipulated in the Several Provisions on the Pilot Programme of Stock Connect (as published by the China Securities Regulatory Commission to prescribe the launch and operation of the Stock Connect) that HKSCC acts as the nominee holder and the Sub-Fund would own the rights and interests with respect to the SSE Securities. The SEHK has also stated that it is the Sub-Fund who is the beneficial owner of the SSE Securities.

However, it should be noted that the exact nature and methods of enforcement of the rights and interests of a Sub-Fund under PRC law is not certain and there have been few cases involving a nominee account structure in the PRC courts.

It should also be noted that as with other clearing systems or central securities depositories, Stock Connect is not obliged to enforce the rights of a Sub-Fund in the PRC courts. If a Sub-Fund wishes to enforce its beneficial ownership rights in the PRC courts, it will need to consider the legal and procedural issues at the relevant time.

#### **Quota limitations**

Stock Connect is subject to an aggregate cross-boundary investment quota as well as a daily quota which does not belong to a Sub-Fund and can only be utilised on a first-come-first-served basis. In particular, once the remaining balance of the Northbound daily quota drops to zero or the Northbound daily quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict a relevant Sub-Fund's ability to invest in SSE Securities through Stock Connect on a timely basis, and a Sub-Fund may not be able to effectively pursue its investment strategies.

#### **Settlement**

The Company will set up arrangements with its Hong Kong brokers and sub-custodian to ensure that cash payment is received against delivery of securities for the trades of the SSE Securities (delivery versus payment settlement). To this end, for the trades of the SSE Securities by a Sub-Fund, Hong Kong brokers will credit or debit the cash account of a Sub-Fund on the same day for the settlement of securities, for an amount equal to the funds relating to such trading.

#### **Clearing and settlement risk**

HKSCC and ChinaClear will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfill the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should a ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, a Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

#### **No Protection by Investor Compensation Fund**

Investment through Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations. A Sub-Fund's investments through Northbound trading under Stock Connect is not covered by the Hong Kong's Investor Compensation Fund. Therefore, Sub-Funds are exposed to the risks of default of the broker(s) it engages in its trading in SSE Securities through Stock Connect.

#### **Suspension risk**

Both the SEHK and SSE reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through Stock Connect is effected, the relevant Sub-Fund's ability to access the PRC market will be adversely affected.

#### **Differences in trading day**

Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but not for the Hong Kong market, in which case a Sub-Fund will not be able to access the PRC market via

Stock Connect. A Sub-Fund may be subject to a risk of price fluctuations in SSE Securities during the time when Stock Connect is not trading as a result.

### **Operational risk**

Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China stock market directly. Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. It should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial programme to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in Stock Connect requires routing of orders across the PRC-Hong Kong border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system ("China Stock Connect System") to be set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted. A Sub-Fund's ability to access the SSE Securities market (and hence to pursue its investment objective) will be adversely affected.

### **Restrictions on selling imposed by front-end monitoring**

PRC regulations require that before an investor sells any SSE Securities, there should be sufficient SSE Securities in the account; otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on SSE Securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. If a Sub-Fund desires to sell certain SSE Securities it holds, it must transfer those SSE Securities to the respective accounts of its brokers before the market opens on the day of trading. If it fails to meet this deadline, it will not be able to sell those SSE Securities on the trading day. Because of this requirement, the relevant Sub-Fund may not be able to dispose of holdings of SSE Securities in a timely manner.

### **Regulatory risk**

Stock Connect is novel in nature, and will be subject to regulations circulated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be circulated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that Stock Connect will not be abolished. A Sub-Fund, which may invest in the PRC markets through Stock Connect, may be adversely affected as a result of such changes.

### **Taxation risk**

On 14 November 2014, the Ministry of Finance, the State Administration of Taxation and the CSRC published the Circular on relevant Tax Treatment for the Pilot Programme of Shanghai-Hong Kong Stock Connect. Such circular provides that funds investing in SSE Securities via Stock Connect are temporarily exempt from income tax on capital gains derived from the transfer of SSE Securities on or after 17 November 2014 (the "Stock Connect Exemption"). Dividends from SSE Securities paid to a fund will continue to be subject to 10% withholding tax which is to be withheld at source. It is possible that any new tax laws and regulations and any new interpretations may be applied retroactively.

**Liquidity Risk related to PrivilEdge – Income Partners RMB Debt** - While offshore RMB (CNH) bonds are traded on markets where trading is conducted on a regular basis, not all offshore RMB (CNH) bonds or investments held by the Sub-Fund will be listed or rated or actively traded and consequently liquidity may be low. The accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavorable prices. In addition, certain extraordinary events or disruption events may lead to a disruption or suspension of trading on such markets. If sizeable redemption requests are received, the Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Sub-Fund may suffer losses in trading such instruments. There is also no guarantee that market making arrangements will be in place to make a market and quote a price for all offshore RMB (CNH) bonds. In the absence of an active secondary market, the Sub-Fund may need to hold offshore RMB (CNH) bonds until such maturity date. The Investment Manager will take into account these factors in deciding what portion of the Sub-Fund's net assets at any time will be allocated to these offshore RMB (CNH) bonds.



## **CIBM**

CIBM is an OTC market where institutional investors trade sovereign, government and corporate bonds on a one-to-one quote-driven basis and accounts for almost all of outstanding bond values of total trading volume in China.

Investors should be aware that trading on the CIBM exposes the Sub-Fund to certain risks (counterparties risk, liquidity risk, settlement risk).

### **Settlement risk**

There are various transaction settlement methods in the CIBM and although favorable terms are negotiated in the name of the Sub-Fund, there is no assurance that settlement risks can be eliminated. Where the counterparty fails to perform its obligations under a transaction, the Sub-Fund will sustain losses.

All bond trades will be settled through ChinaClear. ChinaClear operates under the supervision of the relevant Chinese authorities.

If a participant defaults in payment of any sum payable to ChinaClear, the latter has the power to apply the funds available towards the satisfaction of any amount due to ChinaClear either from (i) cash collateral provided by the defaulting participant; (ii) cash held in the joint guarantee fund contributed by the defaulting participant; or (iii) cash generated by the sale of securities. The defaulting party will be responsible for the expenses and any price differences resulting from the sale of the securities.

If a participant defaults in delivering securities, ChinaClear is entitled to delay the payment due to the delivering participant until the outstanding obligation is satisfied. In addition, ChinaClear may apply all or any securities (in lieu of the securities that are the subject of the delivery obligations) from the following sources to satisfy the obligations and liabilities of such participant to ChinaClear:

- (i) securities furnished by the defaulting party;
- (ii) securities purchased using the funds in the designated escrow account; or
- (iii) securities available to ChinaClear from other alternative sources.

Although ChinaClear is due to deliver payment and securities to delivering participant and receiving participants, respectively, a delay may occur if either party fails to fulfil its payment or delivery obligation.

PRC has undertaken the liberalization to its financial markets by proposing or facilitating the access to several investment programs. Further to a revision in 2016, access to CIBM has been facilitated ("CIBM Facilitated Access"). Foreign institutional investors may invest, without particular license or quota, directly in RMB fixed income securities dealt on the CIBM via an onshore bond settlement agent (the "Bond Settlement Agent"), which has the responsibility for making the relevant filings and account opening with the relevant PRC authorities in particular the PBOC.

The CIBM Facilitated Access rules and regulations are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. In addition, there can be no assurance that the CIBM Facilitated Access rules and regulations will not be abolished in the future. A Sub-Fund, which invests in the PRC markets through the CIBM Facilitated Access, may be adversely affected as a result of any such changes or abolition.

### **Restrictions to Remittances and Repatriations Risk**

Foreign investors (such as the Sub-Fund) may remit investment principal in RMB or foreign currency into the PRC for investing in the CIBM under the CIBM Facilitated Access. A Sub-Fund using the CIBM Facilitated Access will need to remit investment principal matching at least 50 % of its anticipated investment size within nine (9) months after filing with the PBOC, or else an updated filing will need to be made through the onshore Bond Settlement Agent.

Where a Sub-Fund repatriates funds out of the PRC, the ratio of RMB to foreign currency ("Currency Ratio") should generally match the original Currency Ratio when the investment principal was remitted into PRC, with a permissible deviation of 10%. However, to the extent an outward repatriation is in the same currency as the inward remittance the Currency Ratio restriction will not apply.

Certain restrictions may be imposed by the PRC authorities on investors participating in the CIBM Facilitated Access and/or the Bond Settlement Agent which may have an adverse effect on the Sub-Fund's liquidity and performance. Repatriations conducted in RMB are currently permitted daily and are not subject to repatriation restrictions (such as lock-up periods) or prior approval, although authenticity and compliance reviews will be conducted, and reports on

remittances and repatriations will be submitted to the relevant PRC authorities by the Bond Settlement Agent. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Furthermore, as the Bond Settlement Agent's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the Bond Settlement Agent in case of non-compliance with the CIBM Facilitated Access rules and regulations. Any restrictions imposed in the future by the PRC authorities, or rejection or delay by the Bond Settlement Agent, on repatriation of the invested capital and net profits may impact on the Sub-Fund's ability to meet redemption requests from the shareholders. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Manager's control.

### **Securities and cash accounts**

Beneficial ownership of RMB securities acquired through CIBM Facilitated Access has been acknowledged in documentation released by the PBOC and PRC authorities. Beneficial ownership is however an untested concept in the PRC. Investors should note that cash deposited in the cash account of the Sub-Fund with the Bond Settlement Agent will not be segregated but will be a debt owing from the Bond Settlement Agent to the Sub-Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Bond Settlement Agent. In the event of bankruptcy or liquidation of the Bond Settlement Agent, the Sub-Fund will not have any proprietary rights to the cash deposited in such cash account, and the Sub-Fund will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the Bond Settlement Agent. The Sub-Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Sub-Fund will suffer losses.

### **Bond Settlement Agent Risk**

There is a risk that the Sub-Fund may suffer losses, whether direct or consequential, from: (i) the acts or omissions in the settlement of any transaction or in the transfer of funds or securities by the Bond Settlement Agent; or (ii) the default or bankruptcy of the Bond Settlement Agent; or (iii) the disqualification of the Bond Settlement Agent from acting in such capacity either on a temporary or permanent basis. Such acts, omissions, default or disqualification may also adversely affect a Sub-Fund in implementing its investment strategy or disrupt the operations of a Sub-Fund, including causing delays in the settlement of any transaction or the transfer of any funds or securities in the PRC or in recovering assets, which may in turn adversely impact the net asset value of a Sub-Fund.

In addition, the PBOC is vested with the power to impose regulatory sanctions if the Bond Settlement Agent violates any provision of the CIBM Facilitated Access rules. Such sanctions may adversely impact on the investment by the Sub-Fund through the CIBM Facilitated Access.

### **Risks associated with Bond Connect**

Bond Connect is a mutual bond market access between Hong Kong and mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Stock Exchange of Hong Kong Limited and Central Moneymarkets Unit. China bond market primarily consists of CIBM. Eligible foreign investors can invest in the CIBM under the northbound trading of Bond Connect ("Northbound Trading"). Northbound Trading will follow the current policy framework for overseas participation in the CIBM. There will be no investment quota for Northbound Trading.

Under the prevailing regulations in mainland China, eligible foreign investors who wish to invest in the CIBM via Bond Connect may do so via an offshore custody agent approved by the Hong Kong Monetary Authority, who will be responsible for the account opening with the relevant onshore custody agent approved by PBOC.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant Sub-Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the relevant Sub-Fund transacts in the CIBM, the relevant Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the relevant Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Since the account opening for investment in the CIBM via Bond Connect has to be carried out via an offshore custody agent, the relevant Sub-Fund is subject to the risks of default or errors on the part of the offshore custody agent.

Bond Connect is subject to regulatory risks. The relevant rules and regulations on investment via Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant Chinese authorities suspend account opening or trading via Bond Connect, the relevant Sub-Fund's ability to invest in CIBM will be limited and, may have an adverse effect on the relevant Sub-Fund's performance as the relevant Sub-Fund may be required to dispose of its CIBM holdings. The relevant Sub-Fund may also suffer substantial losses as a result.

There is no specific written guidance by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in CIBM by eligible foreign institutional investors via Bond Connect. Hence it is uncertain as to the relevant Sub-Fund's tax liabilities for trading in CIBM via Bond Connect. Also it is possible that any new tax laws and regulations and any new interpretations may be applied retroactively.

#### **2.14 Russian Registration Risk / Investment in Russia**

Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. In Russia this is evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depository). No certificates representing ownership of Russian companies will be held by the Depository or any sub-custodian or in an effective central depository system. As a result of this system and the lack of state regulation and enforcement, the Company could lose its registration and ownership of Russian securities through fraud, negligence or even mere oversight.

In addition, investments in Russia may also be impacted in the context of the geopolitical crisis in Eastern Europe involving Russia and Ukraine. Western countries have taken sanctions against Russia. This may lead Russia to take counter measures against some Western and other countries. As a result, the Russian economy may be adversely impacted and Russia may become a riskier investment with higher volatility on certain markets, restrictions on foreign investments in Russia, difficulties to liquidate Russian investments or expatriation of funds out of Russia.

The Moscow Exchange MICEX-RTS is the sole market qualifying as a regulated market in Russia.

#### **2.15 Regional or Sectorial Concentration Risk**

**Concentration risk on certain countries/regions** - Where a Sub-Fund restricts itself to investing in securities of issuers located in a particular country or region, such concentration will expose the Sub-Fund to the risk of adverse social, political or economic events which may occur in that country or region. The risk increases if the country or region in question is an Emerging Market.

**Concentration risk on certain sectors** - Where a Sub-Fund restricts itself to invest in a certain sector, such as technology or healthcare, it may be sensitive to factors affecting technology-related industries and to greater risk and market fluctuation than investment in a broader range of portfolio securities covering different economic sectors. Technology, technology-related, healthcare industries may also be subject to greater government regulation than many other industries. Accordingly, changes in government policies and the need for regulatory approvals may have a materially adverse effect on these industries. Additionally, these companies may be subject to risk of developing technologies, competitive pressures and other factors as well as a relatively high risk of obsolescence caused by scientific and technological advances and are depended upon consumer and business acceptance as new technologies evolve. Many companies in the technology sector are smaller companies and are therefore also subject to the risks attendant on investing in such companies set out above. The development of these sector-specific investments may differ from the general stock exchange trend.

#### **2.16 Model Risk**

Sub-Funds that apply quantitative management methods or systematic process or strategies, rely for their management process on models based to a varying extent on past market conditions. Given the uncertainty of the future, these models may not necessarily capture the risk they were designed and expected to capture and hence could signal erroneous investment opportunities.





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