

# **LUX MULTIMANAGER SICAV**

Investment company with variable capital with multiple sub-funds

Established in Luxembourg

## **PROSPECTUS**

**June 2023**

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<b>IMPORTANT INFORMATION</b>
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THE INFORMATION IN THIS PROSPECTUS IS BASED ON THE DIRECTORS' UNDERSTANDING OF CURRENT LAW AND PRACTICE (INCLUDING AS TO TAXATION) AT THE DATE HEREOF. BOTH LAW AND PRACTICE MAY BE SUBJECT TO CHANGE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.

**It should be remembered that the price of shares of the Company and income from them can go down as well as up and that investors may not receive back the amount they originally invested.**

Shares are available for issue on the basis of the information and representations contained in this Prospectus. Any further information given or representations made by any person with respect to any shares must be regarded as unauthorised.

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 whether of fact or opinion. All the Directors accept responsibility accordingly.

This prospectus ("Prospectus") does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is unlawful or in which the person making such 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 and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, or to United States Persons, except in a transaction which does not violate the securities laws of the United States of America. The Articles of Incorporation permit certain restrictions on the sale and transfer of shares to restricted persons and the Board of Directors has decided that United States persons shall be restricted persons and are defined as follows:

The term "United States Person" or "US Person" shall mean a citizen or resident of the United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America, or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust other than an estate or trust the income of which from outside the United States of America is not includable in gross income for purpose of computing United States of America income tax payable by it as defined under the Securities Act of 1933 or in Section 7701 (a) (30) of the US Internal Revenue Code of 1986, as amended. If a shareholder subsequently becomes a "United States Person" and such fact comes to the attention of the Company, shares owned by that person may be compulsorily repurchased by the Company.

Investors and applicants should note that under the Foreign Account Tax Compliance Act ("FATCA") details of US investors holding assets outside the US will be reported by financial institutions to the Internal Revenue Service (IRS), as a safeguard against US tax evasion. As a result, and to discourage non-United States of America financial institutions from staying outside this regime, financial institutions that do not enter and comply with the regime will be subject to a 30% withholding tax penalty

with respect to certain United States of America sourced income (including dividends) and gross proceeds from the sale or other disposal of property that can produce United States of America sourced income.

In order to protect the interest of all shareholders, the Company reserves the right without further notice to restrict or prevent the sale and transfer of shares to persons targeted by FATCA as permitted by the Articles of Incorporation.

The distribution of this Prospectus and the offering of the shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

**The key information documents of each Class of each Sub-Fund (the "Key information Documents"), the Prospectus, the latest annual and semi-annual reports of the Company, are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.**

Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant Key Information Document(s). The Key Information Documents provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Key Information Documents are available on the following website: <http://www.bilmanageinvest.com>

The Board of Directors 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 meetings of shareholders if the investor is registered himself and in his own name in the Company's register of shareholders maintained by the Registrar and Transfer Agent. 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 should seek advice from their salesman or intermediary on their rights in the Company.

### **Data Protection**

In compliance with the Luxembourg applicable data protection laws and regulations, including but not limited to the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR"), as such applicable laws and regulations may be amended from time to time (collectively hereinafter referred to as the **Data Protection Laws**), the Company, acting as data controller (the "**Data Controller**") processes personal data in the context of the investments in the Company. The term "processing" in this section has the meaning ascribed to it in the Data Protection Laws.

#### **➤ CATEGORIES OF PERSONAL DATA PROCESSED**

Any personal data as defined by the Data Protection Laws (including but not limited to the name, e-mail address, postal address, date of birth, marital status, country of residence, identity card or passport, tax identification number and tax status, contact and banking details including account number and account balance, resume, invested amount and the origin of the funds) relating to (prospective) investors who

are individuals and any other natural persons involved in or concerned by the Company's professional relationship with investors, as the case may be, including but not limited to any representatives, contact persons, agents, service providers, persons holding a power of attorney, beneficial owners and/or any other related persons (each a **"Data Subject"**) provided in connection with (an) investment(s) in the Company (hereinafter referred to as the **"Personal Data"**) may be processed by the Data Controller.

➤ **PURPOSES OF THE PROCESSING**

The processing of Personal Data may be made for the following purposes (the **"Purposes"**):

**a) For the performance of the contract to which the investor is a party or in order to take steps at the investor's request before entering into a contract**

This includes, without limitation, the provision of investor-related services, administration of the shareholdings in the Company, handling of subscription, redemption and conversion orders, maintaining the register of shareholders, management of distributions, sending of notices, information and communications and more generally performance of service requests from and operations in accordance with the instructions of the investor.

The provision of Personal Data for this purpose:

- has a contractual nature or is a requirement necessary for the Company to enter into a contractual relationship with the investor; and
- is mandatory;

**b) For compliance with legal and/or regulatory obligations**

This includes (without limitation) compliance:

- with legal and/or regulatory obligations such as obligations on anti-money laundering and fight against terrorism financing, obligations on protection against late trading and market timing practices, accounting obligations;
- with identification and reporting obligations under foreign account tax compliance act (**"FATCA"**) and other comparable requirements under domestic or international exchange tax information mechanism such as the Organisation for Economic Co-operation and Development (**"OECD"**) and EU standards for transparency and automatic exchange of financial account information in tax matters (**"AEOI"**) and the common reporting standard (**"CRS"**) (hereinafter collectively referred to as **"Comparable Tax Regulations"**). In the context of FATCA and/or Comparable Tax Regulations, the Personal Data may be processed and transferred to the Luxembourg tax authorities who, in turn and under their control, may transfer such Personal Data to the competent foreign tax authorities, including, but not limited to, the competent authorities of the United States of America;
- with requests from, and requirements of, local or foreign authorities.

The provision of Personal Data for this purpose has a statutory/regulatory nature and is mandatory. In addition to the consequences mentioned at the end of this point 2, not providing Personal Data in this context may also result in incorrect reportings and/or tax consequences for the investor;

**c) For the purposes of the legitimate interests pursued by the Company**

This includes the processing of Personal Data for risk management and for fraud prevention purposes, improvement of the Company's services, disclosure of Personal Data to Processors (as defined below) for the purpose of effecting the processing on the Company's behalf. The Company may also use Personal Data to the extent required for preventing or facilitating the settlement of

any claims, disputes or litigations, for the exercise of its rights in case of claims, disputes or litigations or for the protection of rights of another natural or legal person.

The provision of Personal Data for this purpose:

- has a contractual nature or is a requirement necessary for the Company to enter into a contractual relationship with the investor; and
- is mandatory;

**and/or**

**d) For any other specific purpose to which the Data Subject has consented**

This covers the use and further processing of Personal Data where the Data Subject has given his/her explicit consent thereto, which consent may be withdrawn at any time, without affecting the lawfulness of processing based on consent before its withdrawal.

**Not providing Personal Data for the Purposes under items a) to c) hereabove or the withdrawal of consent under item d) hereabove may result in the impossibility for the Company to accept the investment in the Company and/or to perform investor-related services, or ultimately in termination of the contractual relationship with the investor.**

➤ **DISCLOSURE OF PERSONAL DATA TO THIRD PARTIES**

The Personal Data may be transferred by the Company, in compliance with and within the limits of the Data Protection Laws, to its delegates, service providers or agents, such as (but not limited to) the Management Company, the Domiciliary Agent, the Auditor, other entities directly or indirectly affiliated with the Company and any other third parties who process the Personal Data for providing their services to the Company, acting as data processors (collectively hereinafter referred to as “**Processors**”).

Such Processors may in turn transfer Personal Data to their respective agents, delegates, service providers, affiliates, such as (but not limited to) the Administrative Agent, the Registrar and Transfer Agent, the Global Distributor, acting as sub-processors (collectively hereinafter referred to as “**Sub-Processors**”).

Personal Data may also be shared with service providers processing them on their own behalf as data controllers and third parties as may be required by applicable laws and regulations (including but not limited to administrations, local or foreign authorities (such as competent regulator, tax authorities, judicial authorities, etc)).

Personal Data may be transferred to any of these recipients in any jurisdiction including outside of the European Economic Area (“**EEA**”). The transfer of Personal Data outside of the EEA may be made to countries ensuring (based on the European Commission’s decision) an adequate level of protection or to other countries not ensuring such adequate level of protection. In the latter case, the transfer of Personal Data will be protected by appropriate or suitable safeguards in accordance with Data Protection Laws, such as standard contractual clauses approved by the European Commission. The Data Subject may obtain a copy of such safeguards by contacting the Company.

The Applicant is informed that the Registrar will in the scope of the delegation of data processing activities as part of its Transfer and Registrar Agent duties transfer personal data to its affiliate in Malaysia, in which case the appropriate safeguards will consist in the entry into standard contractual clauses approved by the European Commission, of which the Applicant may obtain a copy by contacting [CustomerServices@rbc.com](mailto:CustomerServices@rbc.com).

## ➤ **RIGHTS OF THE DATA SUBJECTS IN RELATION TO THE PERSONAL DATA**

Under certain conditions set out by the Data Protection Laws and/or by applicable guidelines, regulations, recommendations, circulars or requirements issued by any local or European competent authority, such as the Luxembourg data protection authority (the *Commission Nationale pour la Protection des Données* – “**CNPD**”) or the European Data Protection Board, each Data Subject has the rights:

- to access his/her Personal Data and to know, as the case may be, the source from which his/her Personal Data originate and whether they came from publicly accessible sources;
- to ask for a rectification of his/her Personal Data in cases where they are inaccurate and/or incomplete,
- to ask for a restriction of processing of his/her Personal Data,
- to object to the processing of his/her Personal Data,
- to ask for erasure of his/her Personal Data, and
- to data portability with respect to his/her Personal Data.

Further details regarding the above rights are provided for in Chapter III of GDPR and in particular articles 15 to 21 of GDPR.

No automated decision-making is conducted.

To exercise the above rights and/or withdraw his/her consent regarding any specific processing to which he/she has consented, the Data Subject may contact the Company’s data protection officer at the following address: [productmanagement@bilmanageinvest.com](mailto:productmanagement@bilmanageinvest.com)

In addition to the rights listed above, should a Data Subject consider that the Company does not comply with the Data Protection Laws, or has concerns with regard to the protection of his/her Personal Data, the Data Subject is entitled to lodge a complaint with the CNPD.

## ➤ **INFORMATION ON DATA SUBJECTS RELATED TO THE INVESTOR**

To the extent the investor provides Personal Data regarding Data Subjects related to him/her/it (e.g. representatives, beneficial owners, contact persons, agents, service providers, persons holding a power of attorney, etc.), the investor acknowledges and agrees that: (i) such Personal Data has been obtained, processed and disclosed in compliance with any applicable laws and regulations and its/his/her contractual obligations; (ii) the investor shall not do or omit to do anything in effecting this disclosure or otherwise that would cause the Company, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); (iii) the processing and transferring of the Personal Data as described herein shall not cause the Company, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); and (iv) without limiting the foregoing, the investor shall provide, before the Personal Data is processed by the Company, the Processors and/or Sub-Processors, all necessary information and notices to such Data Subjects concerned, in each case as required by applicable laws and regulations (including Data Protection Laws) and/or its/his/her contractual obligations, including information on the processing of their Personal Data as described in this data protection section. The investor will indemnify and hold the Company, the Processors and/or Sub-Processors harmless for and against all financial consequences that may arise as a consequence of a failure to comply with the above requirements.

## ➤ **DATA RETENTION PERIOD**

Personal Data will be kept in a form which permits identification of Data Subjects for at least a period of ten (10) years after the end of the financial year to which they relate or any longer period as may be



imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes).

➤ **RECORDING OF TELEPHONE CONVERSATIONS**

Investors, including the Data Subjects related to him/her/it (who will be individually informed by the investors in turn) are also informed that for the purpose of serving as evidence of commercial transactions and/or any other commercial communications and then preventing or facilitating the settlement of any disputes or litigations, their telephone conversations with and/or instructions given to the Company, the Management Company, the Depositary Bank, the Domiciliary Agent, the Administrative Agent, the Registrar and Transfer Agent, and/or any other agent of the Company may be recorded in accordance with applicable laws and regulations. These recordings are kept during a period of seven (5) years or any longer period as may be imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes). These recordings shall not be disclosed to any third parties, unless the Company, the Management Company, the Depositary Bank, the Domiciliary Agent, the Administrative Agent, the Registrar and Transfer Agent and/or any other agent of the Company is/are compelled or has/have the right to do so under applicable laws and/or regulations in order to achieve the purpose as described in this paragraph.

<b>DIRECTORY</b>
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**Registered Office**

11-13 Boulevard de la Foire  
L-1528 Luxembourg

**Board of Directors of the Company**

- Ms. Manuèle Biancarelli, Legal, Banque Internationale à Luxembourg S.A.
- M. Jérôme Nèble, Head of Products & Markets, Banque Internationale à Luxembourg S.A.
- M. Yvon Lauret, Independent Director

**Management Company**

BIL Manage Invest S.A.  
42, rue de la Vallée  
L-2661 Luxembourg  
Grand Duchy of Luxembourg

**Board of Directors of the Management Company**

- M. Bernard Mommens, Secretary General and General Counsel, Banque Internationale à Luxembourg S.A.
- M. Fernand Grulms, Independent Director
- Ms. Emilie Hoël, Head of Wealth Management, Banque Internationale à Luxembourg S.A.
- M. Frédéric Sudret, Head of Legal, Banque Internationale à Luxembourg S.A.
- M. Jérôme Nèble, Head of Products & Markets, Banque Internationale à Luxembourg S.A.

**Conducting officers of the Management Company**

- M. Alain Bastin, CEO, BIL Manage Invest S.A.
- M. Karim Rani, Head of Client Relationship Management and Business Development, BIL Manage Invest S.A.
- M. Giulio Senatore, Global Head of Portfolio Management, BIL Manage Invest S.A.
- M. Marc Vanmansart, Chief Compliance Officer & MLRO, BIL Manage Invest S.A.
- M. Riccardo Palma, Head of Risk & Valuation, BIL Manage Invest S.A.

**Depositary and Principal Paying Agent**

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

**Central Administrative, Domiciliary and Corporate, Registrar and Transfer Agent**

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

**Auditors**

PricewaterhouseCoopers Société cooperative

2, rue Gerhard Mercator

L-2182 Luxembourg

Grand Duchy of Luxembourg

<b>GLOSSARY</b>
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<b>1915 Law</b>	Luxembourg Law of 10 August 1915 relating to commercial companies, as amended.
<b>2002 Law</b>	Law of 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended.
<b>2010 Law</b>	Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended, implementing Directive 2009/65/EC into Luxembourg law.
<b>Application Form</b>	The application form available at the registered office of the Company and from distributors (if any).
<b>Articles of Incorporation</b>	The articles of incorporation of the Company, as may be amended from time to time.
<b>Auditors</b>	PricewaterhouseCoopers Société cooperative
<b>Base Currency</b>	The base currency of a Sub-Fund, as disclosed in the relevant section of the "Sub-Fund Particulars".
<b>Board of Directors</b>	The board of directors of the Company.
<b>Business Day</b>	Unless as otherwise defined in the relevant Sub-Fund Particulars, a Business Day is defined as any full day on which the banks are open for normal business banking in Luxembourg.
<b>Central Administrative Agent</b>	RBC Investor Services Bank S.A., acting in its capacity as central administrative agent of the Company.
<b>Class(es)</b>	Pursuant to the Articles of Incorporation, the Board of Directors may decide to issue, within each Sub-Fund, separate classes of shares (hereinafter referred to as a "Class") whose assets will be commonly invested but where a specific initial or redemption charge structure, fee structure, minimum subscription amount, currency, dividend policy or other feature may be applied. If different Classes are issued within a Sub-Fund, the details of each Class are described under section 8 and in the relevant section of the "Sub-Fund Particulars".
<b>Company</b>	LUX MULTIMANAGER SICAV
<b>Conversion Day</b>	The day with respect to which the shares of any Sub-Fund/Class may be converted, as further detailed in section "How to convert" and in the relevant section of the "Sub-Fund Particulars".

<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority.
<b>Depository</b>	RBC Investor Services Bank S.A., acting in its capacity as Depository and principal paying agent of the Company in the meaning of the 2010 Law.
<b>Directors</b>	The members of the Board of Directors.
<b>EEA</b>	European Economic Area.
<b>Emerging Markets</b>	Emerging markets are those markets in countries that are not amongst the following groups of industrialised countries: United States of America and Canada, Switzerland and Members of the European Economic Area, Japan, Australia and New Zealand, and may include those countries in the preceding groups that do not have fully developed financial markets.
<b>ESG</b>	Environmental, Social and Governance.
<b>Exchange Traded Fund or ETF</b>	An investment fund listed on a stock exchange which represents a pool of securities, commodities or currencies which typically track the performance of an index. Exchange Traded Funds (ETFs) are traded like shares. Investment in open-ended or closed-ended ETFs will be allowed if they qualify as (i) UCITS or other UCIs or (ii) transferable securities, respectively.
<b>EU</b>	European Union.
<b>EUR</b>	The legal currency of the EU (the "Euro").
<b>Eligible State</b>	Any Member State of the European Union ("EU") or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
<b>Feeder UCITS</b>	As defined in paragraph VII of section 25 "General Investment Restrictions".
<b>G20</b>	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States of America and the EU.
<b>Grand-Ducal Regulation of 2008</b>	The Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the Law of 20 December 2002 on undertakings for collective investments which has been repealed by the 2010 Law.
<b>Group of Eight (G8)</b>	Canada, France, Germany, Italy, Japan, Russia, United Kingdom, United States of America and EU.

<b>Institutional Investor(s)</b>	Institutional investor(s) within the meaning of article 174 of the 2010 Law.
<b>Management Company</b>	BIL Manage Invest S.A., acting as management company within the meaning of Article 101 of the 2010 Law.
<b>Master UCITS</b>	As defined in paragraph VII of section 25 "General Investment Restrictions".
<b>Mémorial</b>	<i>Mémorial C, Recueil des Sociétés et Associations</i> , Luxembourg legal gazette.
<b>Money Market Instruments</b>	Shall mean instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.
<b>Net Asset Value per share</b>	The net asset value of any Class within any Sub-Fund determined in accordance with the relevant provisions detailed in section 10 "Net Asset Value and dealing prices".
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>Redemption Day</b>	The day with respect to which shares of the Company are redeemable, as further detailed in the relevant section of the "Sub-Fund Particulars".
<b>Register</b>	The register of shareholders of the Company.
<b>Registrar and Transfer Agent</b>	RBC Investor Services Bank S.A., acting as registrar and transfer agent of the Company.
<b>Regulated Market</b>	A regulated market as defined in the Directive 2014/65/EU of 15 May 2014 on markets in financial instruments (Directive 2014/65/EU), namely a market which appears on the list of the regulated markets drawn up by each Member State, which functions regularly, is characterized by the fact that regulations issued or approved by the competent authorities define the conditions for the operation of the market, the conditions for access to the market and the conditions that must be satisfied by a financial instrument before it can effectively be dealt in on the market, requiring compliance with all the reporting and transparency requirements laid down by the Directive 2014/65/EU and any other market which is regulated, operates regularly and is recognised and open to the public in an Eligible State.
<b>Retail investor(s)</b>	Investor(s) who is/are not an Institutional investor(s).
<b>Subscription Day</b>	The day with respect to which the shares of any Class may be subscribed, as detailed, in the relevant section of the "Sub-Fund Particulars".
<b>Sub-Fund</b>	A specific portfolio of assets and liabilities within the Company having its own Net Asset Value and represented by one or more Classes.

In the present prospectus, each sub-fund may use the abbreviation “LMM” in its name

<b>Sub-Fund Particulars</b>	Part of the Prospectus containing information relating to each Sub-Fund.
<b>Sustainable Investment</b>	An investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance
<b>Transferable Securities</b>	Shall mean: <ul style="list-style-type: none"><li>(a) shares and other securities equivalent to shares,</li><li>(b) bonds and other debt instruments,</li><li>(c) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and Money Market Instruments.</li></ul>
<b>UCITS</b>	An undertaking for collective investment in transferable securities and other eligible assets authorised pursuant to Directive 2009/65/EC, as amended.
<b>Other UCI</b>	An undertaking for collective investment within the meaning of Article 1 paragraph (2), point (a) and point (b) of Directive 2009/65/EC.
<b>USD</b>	The official currency of the United States of America (United States Dollar).
<b>Valuation Day</b>	A day on which the Net Asset Value is determined as detailed for each Sub-Fund, in the relevant section of the "Sub-Fund Particulars".

## GENERAL PART

### 1. STRUCTURE OF THE COMPANY

The Company is an umbrella investment company with variable capital (*société d'investissement à capital variable*) incorporated under the form of a *société anonyme* in the Grand Duchy of Luxembourg. It qualifies as an undertaking for collective investment in transferable securities ("UCITS") under Part I of the 2010 Law. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific feature as further detailed in the relevant section of the "Sub-Fund Particulars". Within each Sub-Fund, different Classes with characteristics detailed in the relevant section of the "Sub-Fund Particulars" may be issued.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s) in accordance with the provisions of article 181 of the 2010 Law. This means that the assets of each Sub-Fund shall be invested for the shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Board of Directors may at any time resolve to set up new Sub-Fund(s) and/or create within each Sub-Fund one or more Classes. The Board of Directors may also at any time resolve to close a Sub-Fund, or one or more Classes within a Sub-Fund, to further subscriptions.

In this Prospectus and in the reports, the short names of the Sub-Funds are used. They should be read with LUX MULTIMANAGER SICAV preceding them.

The Company was incorporated for an unlimited period in Luxembourg on 21 January 2016. The capital of the Company shall be equal at all times to its net assets. The minimum capital of the Company shall be the minimum prescribed by the 2010 Law, which at the date of this Prospectus is the equivalent of EUR 1,250,000. This minimum must be reached within a period of 6 months following the authorisation of the Company as a UCITS under the 2010 Law.

The Company is registered with the *Registre de Commerce et des Sociétés, Luxembourg* (Luxembourg register of trade and companies) under number B 20 3385. The Articles of Incorporation have been deposited with the *Registre de Commerce et des Sociétés, Luxembourg* and thereafter published in the *Mémorial* on 5 February 2016.

The reference currency of the Company is EUR and all the financial statements of the Company will be presented in EUR.

### 2. GENERAL RISKS THAT APPLY TO THE COMPANY AND THE SUB-FUNDS

Prospective investors should consider the following risk factors before investing in the Company. However, the risk factors set out below do not purport to be an exhaustive list of risks related to investments in the Company. Prospective investors should read the entire Prospectus, and where appropriate consult with their legal, tax and investment advisers, in particular regarding the tax consequences of subscribing, holding, converting, redeeming or otherwise disposing of Shares under the law of their country of citizenship, residence or domicile.



Investors should be aware that the investments of the Company are subject to market fluctuations and other risks associated with investments in transferable securities and other financial instruments. The value of the investments and the resulting income may go up or down and it is possible that investors will not recoup the amount originally invested in the Company, including the risk of loss of the entire amount invested.

There is no assurance that the investment objective of a particular Sub-Fund will be achieved or that any increase in the value of the assets will occur. Past performance is not a reliable indicator of future results.

The Net Asset Value of a Sub-Fund may vary as a result of fluctuations in the value of the underlying assets and the resulting income. Investors are reminded that in certain circumstances their right to redeem Shares may be suspended.

### ***Market risk***

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

### ***Foreign exchange risk***

Because a Sub-Fund's assets and liabilities may be denominated in currencies different to the Base Currency or to the reference currency of the relevant Class, the Sub-Fund / relevant Class may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency (or reference currency of the relevant Class) and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's / Class' shares, the dividends or interest earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions.

If the currency in which a security is denominated appreciates against the Base Currency (or the reference currency of the relevant Class) 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.

A Sub-Fund / Class may engage in foreign currency transactions (including transaction on financial derivative instruments) in order to hedge against currency exchange risk however there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Sub-Fund / Class from benefiting from the performance of a Sub-Fund's / Class' securities if the currency in which the securities held by the Sub-Fund / Class are denominated rises against the Base Currency (or reference currency of the relevant Class). In case of a hedged Class (denominated in a currency different from the Base Currency), this risk applies systematically.

### ***Liquidity risk***

A Sub-Fund is exposed to the risk that a particular investment or position cannot be easily unwound or offset due to insufficient market depth or market disruption.

The Management Company operates a risk management process effective on a daily basis in identifying, measuring, monitoring and controlling the liquidity risk for all asset classes including, but not limited to financial derivative instruments.

### ***Counterparty Risk***

The Company may enter into over-the-counter transactions which will expose the Sub-Funds to the risk that the counterparty may default on its obligation to perform under such contracts. In the event of bankruptcy of the counterparty, the Sub-Funds could experience delays in liquidating the position and significant losses.

### ***Interest rate risk***

A Sub-Fund that has exposure to bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Exposure to interest rate risk may be hedged using financial derivative instruments or through investment in Exchange Traded Funds. There is however no guarantee that hedging will be achieved.

### ***Credit risk***

A Sub-Fund which has exposure to bonds and other fixed income securities is subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Sub-Fund(s) investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

### ***Downgrading Risk***

Investment Grade bonds may be subject to the risk of being downgraded to non-Investment Grade bonds. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Sub-Fund's investment value in such security may be adversely affected. The Management Company or the relevant Investment Manager may or may not dispose of the securities, subject to the investment objective of the Sub-Fund. If downgrading occurs, the non-Investment Grade debt risk outlined in the paragraph below will apply.

### ***Non-Investment Grade Debt***

A Sub-Fund which invests in non-investment grade fixed-income securities carries higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a Sub-Fund that invests in investment grade fixed-income securities.

Credit risk is greater for investments in fixed-income securities that are rated below investment grade or which are of comparable quality than for investment grade securities. It is more likely that income or capital payments may not be made when due. Thus, the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of non-investment grade fixed-income securities. Investors should therefore be prepared for greater volatility than for investment grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for non-investment grade fixed-income securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities.

### ***High Yield Debt***

A Sub-Fund which invests in high yield fixed-income securities carries higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a Sub-Fund that invests in investment grade fixed-income securities.

Credit risk is greater for investments in high yield fixed-income securities than for investment grade securities. It is more likely that income or capital payments may not be made when due. Thus the risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of high yield fixed-income securities. Investors should therefore be prepared for greater volatility than for investment grade fixed-income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for high yield securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities.

### ***Effect of substantial withdrawals***

Substantial withdrawals by shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

### ***Political risks***

The value of the Company's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

Also uncertainties surrounding political, economic and social circumstances, with the associated dangers of expropriation or seizure, unusually high inflation rates, prohibitive tax measures and other negative developments. Political or other circumstances which restrict the investment opportunities of the Sub-Fund, for example restrictions with regard to issuers or industries deemed sensitive to relevant national interests.

### ***General economic conditions***

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses.

### ***Management Risk***

The Company is actively managed and the Sub-Funds may therefore be subject to management risks. The Company will apply its investment strategy (including investment techniques and risk analysis) when making investment decisions for the Sub-Funds, however, no assurance can be given that the investment decision will achieve the desired results.

### ***Duplication of costs***

The Sub-Fund(s) incur cost of their own management and administration such as the fees paid to the Management Company, the Investment Manager(s), the Depositary, unless otherwise provided hereinafter and other service providers. It should be noted that, in addition, the Sub-Funds incur similar costs in their capacity (if applicable), as investor in the funds in which the Sub-Funds invest, which in turn pay similar fees to their manager and other service providers.

### ***Volatility***

The value of the Shares may be affected by market volatility and/or the volatility of the Sub-Fund's assets and/or the underlying asset.

### ***Underlying Asset calculation and substitution***

The value underlying asset may cease to be calculated or published or the value may be altered or the underlying asset may be substituted. In certain circumstances such as the discontinuance in the calculation or publication of the value underlying asset or suspension in the trading of any constituents of the underlying asset, it could result in the suspension of trading of the Shares or the requirement for market makers to provide two-way prices on the relevant stock exchange.

### ***Corporate actions***

Securities comprising an underlying asset may be subject to change in the event of corporate actions in respect of those securities.

### ***Investment Risk***

#### ***Investment in Equities***

The risks associated with investments in equity (and equity-type) securities include in particular significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity compared to debt securities issued by the same company.

Investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

#### ***Investments in Fixed Income Securities***

Investments in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in interest rates as well as fluctuations in currency exchange rates (as further described above under section "Interest Rate Risk" and "Foreign Exchange Risk") and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the Base Currency of the Sub-Fund would reduce the value of certain portfolio securities that are denominated in such a currency.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

As the Net Asset Value of a Sub-Fund is calculated in its Base Currency, the performance of investments denominated in a currency other than the Base Currency will depend on the strength of such currency against the Base Currency and on the interest rate environment in the country issuing the currency. In the absence of other events that could otherwise affect the value of non-Base Currency investments (such as a change in the political climate or an issuer's credit quality), an increase in the value of the non-Base Currency can generally be expected to increase the value of a Sub-Fund's non-Base Currency investments in terms of the Base Currency.

The Sub-Funds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies on the basis of the creditworthiness or risk of default. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant debt securities issue. Moreover, the Sub-Funds may invest in debt instruments in the noninvestment grade sector (high yield debt securities). Compared to investment grade debt securities, high yield debt securities are generally lower-rated and will usually offer higher yields to compensate for their reduced creditworthiness or increased risk of default.

### *Investments in Exchange Traded Funds*

The Sub-Funds may invest part of their assets in units or shares of ETFs. Such investments are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that their investment objective will be achieved.

In addition, there may be duplication of certain other fees and expenses such as management and advisory charges, Depositary fees, administration fees, auditors and legal fees and certain other administrative expenses.

### *Investments in Warrants*

The leveraged effect of investments in warrants and the volatility of warrant prices make the risks attached to investments in warrants higher than in the case of investment in equities. Because of the volatility of warrants, the volatility of the share price of any Sub-Fund investing in warrants may potentially increase.

### *Use of Derivatives*

While the use of financial derivative instruments can be beneficial, financial derivative instruments also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments.

Derivatives are highly specialized financial instruments. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without there being any opportunity to observe the performance of the derivative under all possible market conditions.

If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself.

The other risks associated with the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives are complex and often valued subjectively.

Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Company. Consequently, the Company's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering the Company's investment objectives.

Derivative instruments also carry the risk that a loss may be sustained by the Company as a result of the failure of the counterparty to a derivative to comply with the terms of the contract (as further described under "Counterparty Risk" above). The default risk for exchange-traded derivatives is generally less than for privately negotiated derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. In addition, the use of credit derivatives (credit default swaps, credit linked notes) carries the risk of a loss arising for the Company if one of the entities underlying the credit derivative defaults.

Moreover, OTC derivatives may bear liquidity risks. The counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such cases, the Company might not be in a position to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position which might adversely affect its performance. Unlike exchange-traded derivatives, forward, spot and option contracts on currencies do not provide the Management Company with the possibility to offset the Company's obligations through an equal and opposite transaction. Therefore, through entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under these contracts.

The use of derivative instruments may or may not achieve its intended objective.

#### *Small Capitalisation Companies Risk*

A Sub-Fund which invests in smaller companies may fluctuate in value more than other funds. Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. Consequently, investments in smaller companies may be more vulnerable to adverse developments than those in larger companies and the relevant Sub-Fund may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

#### *Hedged Class Risk*

The hedging strategy applied to hedged Classes may vary from one Sub-Fund to another. Each Sub-Fund may apply a hedging strategy which aims to reduce currency risk between the Reference Currency of the respective Sub-Fund and the nominal currency of the hedged Class while taking various practical considerations into account. The hedging strategy aims to reduce, but may not totally eliminate, currency exposure.

Investors should note that there is no segregation of liabilities between the individual Classes within a Sub-Fund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a hedged Class could result in liabilities affecting the Net Asset Value of the other Classes of the same Sub-Fund. In such case assets of other Classes of such Sub-Fund may be used to cover the liabilities incurred by the hedged Class.

#### *Clearing and Settlement Procedures*

Different markets also have different clearing and settlement procedures. Delays in settlement may result in a portion of the assets of a Sub-Fund remaining temporarily uninvested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Sub-Fund to miss attractive investment opportunities. The inability to dispose of portfolio securities due to settlement problems could result either in losses to a Sub-Fund due to subsequent declines in value of the portfolio security or, if a Sub-Fund has entered into a contract to sell the security, could result in possible liability to the purchaser.

### *Investment Countries*

The issuers of fixed income securities and the companies, the shares of which are purchased, are generally subject to different accounting, auditing and financial reporting standards in the different countries of the world. The volume of trading, volatility of prices and liquidity of issuers may vary from one market or country to another. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws and regulations of some countries may restrict the Company's ability to invest in securities of certain issuers located in those countries.

### *Concentration on certain Countries/Regions*

Where a Sub-Fund restricts itself to investing in securities of issuers located in a particular country or countries, such concentration will expose the Sub-Fund to the risk of adverse social, political or economic events which may occur in that country or countries.

The risk increases if the country in question is an emerging market. Investments in these Sub-Funds are exposed to the risks which have been described; these may be exacerbated by the special factors pertaining to this emerging market.

### *Investments in Emerging Countries*

Investors should note that certain Sub-Funds may invest in less developed or emerging markets. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Sub-Funds investing in such markets, as well as the income derived from the Sub-Fund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value per Shares of these Sub-Funds may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.

Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well-defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well-organized than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall 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. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by the Sub-Funds investing in emerging market securities.



It must also be borne in mind that companies are selected regardless of their market capitalization (micro, small, mid, large caps), sector or geographical location. This may lead to a concentration in geographical or sector terms.

Subscriptions in the relevant Sub-Funds are thus only suitable for investors who are fully aware of, and able to bear, the risks related to this type of investment.

#### *Industry/Sector Risk*

The Sub-Funds may invest in specific industries or sectors or a group of related industries. These industries or sectors may, however, be affected by market or economic factors, which could have a major effect on the value of the Sub-Funds' investments.

#### *Sustainability Risk*

Sustainability risk means an environmental, social, or governance event or condition, that, if it occurs, could potentially or actually cause a material negative impact on the value of a sub-fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain and may be incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. The impacts resulting from the realisation of sustainability risks may be numerous and may vary upon the specific risk, the region, sector and type of assets. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned sub-fund.

#### *Risks relating to the application of ESG criteria*

The use of ESG criteria may affect a sub-fund's investment performance and, as such, investing in ESG may perform differently compared to similar funds that do not use such criteria. ESG based exclusionary criteria used in a sub-fund's investment policy may result in a sub-fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to its ESG characteristics when it might be disadvantageous to do so. In the event the ESG characteristics of a security held by a sub-fund change, resulting in the Management Company having to sell the security, neither the sub-fund nor the Management Company accept liability in relation to such change.

The relevant exclusions might not correspond directly with investors own subjective ethical views.

In evaluating a security or issuer based on ESG criteria, the Management Company is dependent upon information and data from third parties, which may be incomplete, inaccurate or unavailable. As a result, the Management Company will assess a security or issuer on a best effort basis. The Management Company could not be responsible for the accuracy of this data.

There is also a risk that the Management Company may not apply the relevant ESG criteria correctly or that a sub-fund could have indirect exposure to issuers who do not meet the relevant ESG criteria used by a sub-fund. Neither the Fund nor the Management Company make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of such ESG assessment.

#### *Securities Lending and Repurchase Transactions*

The use of techniques and instruments relating to transferable securities and money market instruments involves certain risks, some of which are listed in the following paragraphs, and there can be no assurance that the objective sought to be obtained from such use will be achieved.

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

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

#### *Taxation*

The proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source.

It is possible that the tax law (and/or the current interpretation of the law) as well as the practice in countries, into which the Sub-Funds invest or may invest in the future, might change. As a result, the Company could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

### **3. INVESTMENT OBJECTIVES AND POLICIES OF THE COMPANY AND THE SUB-FUNDS**

The primary objective of the Company is to provide investors with an opportunity to invest in professionally managed portfolios. The assets of the Sub-Funds are invested, in accordance with the principle of risk diversification, in transferable securities and other assets as specified in Article 41 of the 2010 Law. The Company seeks to provide a range of Sub-Fund(s) with the purpose of spreading investment risk and satisfying the requirements of investors seeking to emphasise income, capital conservation and/or capital growth as detailed for each Sub-Fund in the relevant section of the "Sub-Fund Particulars".

The investment objective for each Sub-Fund is to maximize the appreciation of the assets invested. In order to achieve this, the Company shall assume a fair and reasonable degree of risk. However, in consideration of market fluctuations and other risks (see "Risk Factors") there can be no guarantee that the investment objective of the relevant Sub-Funds will be achieved.

In pursuing the investment objectives of the Sub-Funds, the Directors seek to maintain an appropriate level of liquidity in the assets of the relevant Sub-Fund so that redemptions of shares under normal circumstances may be made without undue delay upon request by the shareholders.

Whilst using their best endeavours to attain the investment objectives, the Directors cannot guarantee the extent to which these objectives will be achieved. The value of the shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Changes in the rates of exchange between currencies may also cause the value of the shares to diminish or to increase.

**Integration of the sustainability risk into the investment decision-making processes according to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”)**

The Investment Manager identifies and analyses sustainability risk (i.e. an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment) as part of its risk management process.

The Investment Manager integrates financially material sustainability risks and opportunities into its research, analysis and investment decision-making processes. The Investment Manager believes that the consideration of these risks and opportunities can help to enhance long-term risk adjusted returns for investors

The sub-funds, however, do not promote environmental or social characteristics, and do not have as objective sustainable investment (as provided by articles 8 or 9 of SFDR). The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Investment Manager considers in addition to economic and financial aspects, the integration within the investment decision process of ESG factors, based on an internal methodology considering data including those provided by third party providers.

Further information on the Management Company’s ESG / Sustainability policy is available upon request or at the Management Company website - <http://www.bilmanageinvest.com>.

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a sub-fund’s investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance information and data from third parties, which may be incomplete, inaccurate or unavailable.

As a result, the Investment Manager will assess a security or issuer on a best effort basis. The Investment Manager could not be responsible for the accuracy of this data.

Consequent impacts to the occurrence of sustainability risk can be numerous and various according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned sub-fund.

For the time being, the Investment Manager does not currently consider principal adverse impacts of investment decisions on sustainability factors due to the lack of available and reliable data. Should this change in the future, the disclosures on the website of the Management Company will be updated accordingly.

## **BENCHMARK REGULATION**

In accordance with the provisions of the 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 (the “Benchmark Regulation”), the Administrators of the benchmarks are all included in the Register of Administrator held by the ESMA and have obtained authorization or registration to the competent authority according to art. 34 of the Benchmark Regulation.

According to art 28-2 of benchmark regulation, the Management Company has produced and maintained a written plan setting out the actions that they would take in the event that a benchmark materially changes or ceases to be provided. The plan is available free of charge at the office of the management company.

The following Benchmarks are used for the investment policy.

Sub-Fund	Index	Administrator	Status ESMA Register
Europe Equity Select	Stoxx Europe 600 Net	Stoxx Ltd	registered

The following Benchmarks are used for the performance.

Sub-Fund	Index	Administrator	Status ESMA Register
Europe Equity Select	Stoxx Europe 600 EUR	Stoxx Ltd	registered

## **4. RISK MANAGEMENT PROCESS**

In accordance with the 2010 Law and the applicable regulations, in particular Circular CSSF 11/512, the Management Company, on behalf of the Company will employ for each Sub-Fund a risk-management process which enables it to monitor and measure at any time the exposure of each Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material to that Sub-Fund and their contribution to the overall risk profile of each Sub-Fund. The Management Company, on behalf of the Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

The Management Company may use the Value-at-Risk (VAR) or the commitment approach to monitor and measure the global exposure as further specified for each Sub-Fund in the relevant section of the "Sub-Fund Particulars".

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

## 5. SHARES

The Board of Directors may, within each Sub-Fund, decide to create different Classes of shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, hedging strategy, reference currency, distribution policy or other specific features may apply to each Class. A separate Net Asset Value per share, which may differ as a consequence of these variable factors, will be calculated for each Class. The offering details of each Sub-Fund, including the name and characteristics of the different Classes created in each Sub-Fund are disclosed in the relevant section of the "Sub-Fund Particulars". The Board of Directors may at any time decide to issue further Classes of shares in each Sub-Fund, in which case the relevant section of the "Sub-Fund Particulars" will be amended accordingly.

The Management Company may, at any time, offer existing Classes through different distribution channels in different countries.

Within each Class, separate currency hedged Classes may be issued. Any fees relating to the hedging strategy (including any fees of the Central Administrative Agent relating to the execution of the hedging policy) will be borne by the relevant Class. Any gains or losses from the currency hedging shall accrue to the relevant hedged Class.

Unless otherwise provided for in the section "Sub-Fund Particulars", fractions of shares up to 3 decimal places will be issued if so decided by the Board of Directors. Such fractions shall not be entitled to vote but shall be entitled to participate in the net assets and any distributions attributable to the relevant Class on a pro rata basis.

All shares must be fully paid-up; they are of no nominal value and carry no preferential or pre-emptive rights. Each share of the Company, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the Articles of Incorporation. The Company will recognise only one holder in respect of each share. In the event of joint ownership, the Company may suspend the exercise of any voting right deriving from the relevant share(s) until one person shall have been designated to represent the joint owners *vis-à-vis* the Company.

Shares will in principle be freely transferable to investors complying with the eligibility criteria of the relevant Class and provided that shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority. The Directors may in this connection require a shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the shares which he holds.

The Company reserves the right to accept or refuse any subscription in whole or in part and for any reason. The Company may also limit the distribution of a given Class or Sub-Fund to specific countries. The Company may also restrict the distribution of the Company's Shares by distributors or agents who have not been approved. The Company may also restrict or prevent the ownership of Shares by any person, firm or corporation, if such ownership may be against the interests of the Company or of the majority of Shareholders or of any Sub-Fund or Class therein.

## **6. HOW TO BUY SHARES**

### **6.1 Application**

Request for subscription should be sent to the distributor, to the placement agent or to the Company at its registered address in Luxembourg and to the Central Administrative Agent in its capacity as Registrar and Transfer Agent.

Applicants buying shares for the first time need to complete the Application Form which can be sent first by fax to the Registrar and Transfer Agent. The original Application Form has to be sent without delay to the Registrar and Transfer Agent.

The Application Form can be obtained from the Company.

Any subsequent purchase of shares can be made by Swift, fax or any other form of transmission previously agreed upon between the applicant and the Registrar and Transfer Agent.

### **6.2 Dealing cut-off times**

The applicable dealing cut-off time for each Sub-Fund is disclosed in the relevant section of the "Sub-Funds Particulars".

### **6.3 Acceptance**

The right is reserved by the Company to reject any subscription or conversion application in whole or in part without giving the reasons thereof.

### **6.4 Anti-money laundering and prevention of terrorist financing**

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 (as amended) on the fight against money laundering and terrorist financing, CSSF regulation 12-02 and CSSF circulars, obligations have been imposed on professionals of the financial sector to prevent the use of undertakings for collective investment, such as the Company, for money laundering and terrorist financing purposes ("AML & KYC").

As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment shall in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The Registrar and Transfer Agent may require applicants to provide any document it deems necessary to effect such identification and to comply with any laws and regulations applicable to the Company. In addition, the Registrar and Transfer Agent, as delegate of the Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law.

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

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

The list of identification documents to be provided by each applicant will be based on the AML & KYC requirements as stipulated in the CSSF's circulars and regulations as amended from time to time and based on the AML & KYC guidelines of the Registrar and Transfer Agent. These requirements may be amended following any new Luxembourg regulations.

Applicants may be asked to produce additional documents for verification of their identity before acceptance of their applications. In case of refusal by the applicant to provide the documents required, the application for subscription will not be accepted.

The Registrar and Transfer Agent may suspend the payment of redemption proceeds until the redeeming shareholder has provided the Registrar and Transfer Agent with all the requested documents to comply with the Luxembourg regulations.

## **6.5 Settlement**

### ***In Cash***

Subscription proceeds will in principle be paid in the reference currency of the relevant Class specified in the relevant section of the "Sub-Fund Particulars" within the timeframe provided for in the relevant section of the "Sub-Fund Particulars". The Board of Directors may also accept payment in any other freely convertible currency specified by the applicant. In that case, any currency conversion cost shall be borne by the applicant.

Settlement may be made by electronic transfer net of bank charges to the relevant correspondent bank(s) quoting the applicant's name and stating the appropriate Sub-Fund / Class into which settlement monies are paid. Details of the relevant correspondent bank(s) are given on the Application Form or may be obtained from a distributor.

### ***In Kind***

The Directors may, at their discretion, decide to accept securities as valid consideration for a subscription provided that these comply with the investment policy and restrictions of the relevant Sub-Fund. A special report of the Auditors will be issued to the extent required by the Luxembourg laws. Additional costs resulting from a subscription in kind (including the costs of the Auditors' report) will be borne exclusively by the subscriber concerned, unless the Board of Directors considers that the subscription in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

## **6.6 Share allocation**

Payment for subscriptions must be received by the Company or by a correspondent bank to its order, not later than the deadlines set forth in the relevant section of the "Sub-Fund Particulars".

The Company reserves the right to cancel the application if full payment is not made within the deadlines set forth in the relevant section of the "Sub-Fund Particulars". In such circumstances the Company has

the right to bring an action against the defaulting investor to obtain compensation for any loss directly or indirectly resulting from the failure by the investor to make good settlement by the due date.

## **6.7 Contract notes**

Contract notes which are no proofs of ownership are provided to the investor as soon as practicable after the allotment of shares.

## **6.8 Form of shares**

Shares are only issued in registered form and ownership of shares will be evidenced by entry in the Register. Shareholders will receive a confirmation of their shareholding as soon as reasonably practicable after the relevant Valuation Day.

# **7. HOW TO SELL SHARES**

## **7.1 Request**

Redemption requests should be made to the Company, either directly to the Registrar and Transfer Agent or through an appointed distributor. Redemption requests made directly to the Registrar and Transfer Agent may be made by Swift, fax or any other form of transmission previously agreed upon between the applicant and the Registrar and Transfer Agent

## **7.2 Dealing cut-off times**

The redemption dealing cut-off time for each Sub-Fund is disclosed in the relevant section of the "Sub-Funds Particulars".

In compliance with the forward pricing principle, redemption requests received after the applicable cut-off time (as detailed under the relevant section of the "Sub-Funds Particulars") will be deferred to the next following Redemption Day.

## **7.3 Settlement**

### ***In Cash***

Redemption proceeds will in principle be paid in the reference currency of the relevant Class specified in the relevant section of the "Sub-Fund Particulars" within the timeframe provided for in the relevant section of the "Sub-Fund Particulars". The Board of Directors may also agree to satisfy the payment of redemption proceeds in any other freely convertible currency specified by the shareholder. In that case, any currency conversion cost shall be borne by the shareholder and the payment of the redemption proceeds will be carried out at the risk of the shareholder.

### ***In Kind***

At a shareholder's request, the Company may elect to make a redemption in kind subject to a special report from the Auditors, having due regard to the interests of all shareholders, to the industry sector of the issuer, to the country of issue, to the liquidity and to the marketability and the markets on which the



investments distributed are dealt in and to the materiality of investments. Additional costs resulting from a redemption in kind will be borne exclusively by the shareholder concerned, unless the Board of Directors considers that the redemption in kind is in the best interests of the Company or made to protect the interests of the Company, in which case such costs may be borne in all or in part by the Company.

#### **7.4 Contract notes**

Contract notes are sent to shareholders as soon as practicable after the transaction has been effected.

#### **7.5 Compulsory redemption**

If a redemption/conversion instruction would reduce the value of a shareholder's residual holding in any one Sub-Fund or Class to below the minimum holding requirement as set forth (if applicable) in the relevant section of the "Sub-Fund Particulars", the Company may decide to compulsorily redeem the shareholder's entire holding in respect of that Sub-Fund.

The Company may also, in accordance with the Articles of Incorporation, compulsorily redeem any shares that are acquired or held by or on behalf of any US Person or any person (i) in breach of the law or requirements of any country or governmental or regulatory authority, (ii) in circumstances which in the opinion of the Company might result in the Company incurring any liability to taxation (including, inter alia, any liability that might derive from FATCA) or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered, including a requirement to register under any securities or investment or other laws or requirements of any country or authority.

If it appears at any time that a holder of shares of a Class or of a Sub-Fund reserved to Institutional Investors is not an Institutional Investor, the Board of Directors will convert the relevant shares into shares of a Class or of a Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class or of a Sub-Fund with similar characteristics) or compulsorily redeem the relevant shares in accordance with the provisions set forth in the Articles of Incorporation.

#### **7.6 Deferral of redemption**

In order to ensure that shareholders who remain invested in the Company 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 period, the Directors may apply the procedures set out below in order to permit the orderly disposal of securities to meet redemptions.

The Company, having regard to the fair and equal treatment of shareholders, on receiving requests to redeem shares amounting to 10% or more of the net asset value of any Sub-Fund shall not be bound to redeem on any Redemption Day a number of shares representing more than 10% of the net asset value of any Sub-Fund. If the Company receives requests on any Redemption Day for redemption of a greater number of shares, it may declare that such redemptions exceeding the 10% limit may be deferred for such period as the Board of Directors considers necessary to realise sufficient assets to meet these redemption requests. Unless otherwise decided by the Board of Directors on the basis of exceptional circumstances, the deferral period should in principle not exceed one month. Redemption requests will be met in priority to later requests.

Payment of redemption 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 to transfer the redemption proceeds to the country where the redemption was requested.

### **7.7 Cancellation right**

Requests for redemption once made may in principle only be withdrawn in the event of a suspension or deferral of the right to redeem shares of the relevant Sub-Fund. In exceptional circumstances, the Management Company may however, in its sole discretion and taking due consideration of the principle of equal treatment between shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for redemption.

### **7.8 Prevention of market timing practices**

The Company does not knowingly allow investments which are associated with market timing practices as such practices may adversely affect the interests of all shareholders.

In general, market timing refers to the investment behaviour of an individual or company or a group of individuals or companies buying, selling or exchanging shares or other securities on the basis of predetermined market indicators by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset value. Market timers may also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

The Registrar and Transfer Agent may combine shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Management Company reserves the right to cause the Registrar and Transfer Agent to reject any application for conversion and/or subscription of shares from applicants whom the former considers market timers.

### **7.9 Late trading**

The Company determines the price of its shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per share at which shares will be bought or sold (exclusive of any subscription or redemption commission).

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders ("**cut-off time**") on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day.

The Company considers that the practice of late trading is not acceptable as it violates the provisions of the prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable net asset value. As a result, subscriptions, conversions and redemptions of shares shall be dealt with at an unknown net asset value.

## 8. FOREIGN EXCHANGE TRANSACTIONS

Where subscription and redemption proceeds are paid in another currency than the reference currency of the relevant Class, the necessary foreign exchange transactions will be arranged by the Registrar and Transfer Agent for the account and at the expenses of the applicant at the exchange rate prevailing on the relevant Valuation Day.

## 9. HOW TO CONVERT SHARES

To the extent provided for in the relevant section of the "Sub-Fund Particulars", shareholders will be entitled to request the conversion of the shares they hold in one Sub-Fund into shares of another Sub-Fund or to request the conversion of the shares they hold in one Class into another Class of the same Sub-Fund by making application to the Registrar and Transfer Agent in Luxembourg or through a distributor, if any, by Swift or fax confirmed in writing by no later than the cut-off time (as detailed under the relevant section of the "Sub-Funds Particulars").

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 or Class (if more than one).

Conversions will be subject to the condition that all conditions to subscribe in shares relating to the new Sub-Fund/Class are met.

If compliance with conversion instructions would result in a residual holding in any one Sub-Fund or Class of less than the minimum holding, the Company may compulsorily redeem the residual shares at the redemption price ruling on the relevant Conversion Day and make payment of the proceeds to the shareholder.

The basis of conversion is related to the respective Net Asset Value per share of the Sub-Fund or Class 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/Class

B: the number of shares in the original Sub-Fund/Class

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 (as detailed in the relevant section of the "Sub-Fund Particulars")

The Company will provide a confirmation including the details of the conversion to the shareholder concerned.

Any conversion request shall in principle be irrevocable, except in the event of a suspension of the calculation of the net asset value of the Class or of the Sub-Fund concerned or deferral. The Management Company may however, in its sole discretion and taking due consideration of the principle of equal

treatment between shareholders and the interests of the relevant Sub-Fund, decide to accept any withdrawal of an application for conversion.

In compliance with the forward pricing principle, requests for conversions received after the cut-off time will be deferred to the next following Conversion Day.

The rules applicable to the deferral of redemptions will apply *mutatis mutandis* to conversion requests.

## **10. NET ASSET VALUE AND DEALING PRICES**

### **Calculation of net asset value**

#### ***Valuation Principles***

The net asset value of each Class within each Sub-Fund (expressed in the currency of denomination of the Sub-Fund) is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Class and deducting the liabilities of the Company allocated to that Class. The net asset value per share shall be calculated up to two decimal places.

The assets of each Class within each Sub-Fund are valued as of the Valuation Day, as defined in the relevant section of the "Sub-Fund Particulars", as follows:

1. shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available net asset value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the net asset value of such shares or units since the last net asset value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors, such change;
2. securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market will be valued at the last available stock price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;
3. shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors in line with such prices;
4. the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;

5. the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;
6. swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;
7. the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;
8. any assets or liabilities in currencies other than the relevant currency of the Sub-Fund concerned will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;
9. in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;
10. in the event that the above-mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt to the extent such valuation principles are in the best interests of the shareholders any other appropriate valuation principles for the assets of the Company; and
11. in circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in EUR.

#### *Dilution Provisions*

The Sub-Funds are single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, switches and/or redemptions in and out of a Sub-Fund. This is known as "dilution".

- Swing Pricing

In order to counter this and to protect shareholders' interests, the Company may apply a technique known as swing pricing as part of its valuation policy. This will mean that in certain circumstances the Company will make adjustments in the calculations of the Net Asset Values per share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

#### *Dilution Adjustment*

The need to make a dilution adjustment will depend upon the net value of subscriptions, conversions and redemptions received by a Sub-Fund on each Valuation Day. The Company therefore reserves the right to make a dilution adjustment where a Sub-Fund experiences a net cash movement which exceeds a threshold, set by the Board of Directors from time to time, of the previous Valuation Day's net asset value.

The Company may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of existing shareholders to do so.

Where a dilution adjustment is made, it will typically increase the Net Asset Value per share when there are net inflows into a Sub-Fund and decrease the Net Asset Value per share when there are net outflows. The Net Asset Value per share of each Class in a Sub-Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the Net Asset Value per share of each Class identically.

As dilution is related to the inflows and outflows of money from a Sub-Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the Company will need to make such dilution adjustments.

Because the dilution adjustment for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads, which can vary with market conditions, this means that the amount of the dilution adjustment can vary over time but will not exceed 2% of the relevant net asset value unless otherwise provided for in the section "Sub-Fund Particulars".

- Dilution Levy

In order to mitigate the "dilution" and consequent potential adverse effect on remaining shareholders, the Company has, alternatively, the power to charge a "dilution levy" of up to 2% of the applicable Net Asset Value (unless otherwise provided for in the section "Sub-Fund Particulars") when shares are subscribed for or redeemed, such "dilution levy" to accrue to the affected Sub-Fund. Any dilution levy must be fair to all shareholders and potential shareholders and the Company will operate this measure in a fair and consistent manner to reduce dilution and only for that purpose. The dilution levy mechanism will not be applied if the swing pricing mechanism is used.

## **Temporary suspension**

The Company may suspend the issue, allocation and the redemption of shares relating to any Sub-Fund as well as the right to convert shares and the calculation of the Net Asset Value per share relating to any Class:

- a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed (other than for ordinary holidays), or during which dealings are substantially restricted or suspended;
- b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the relevant Sub-Fund by the Company is not possible;
- c) during any period when the determination of the Net Asset Value per share of the underlying funds or the dealing of their shares/units in which a Sub-Fund is a materially invested is suspended or restricted;
- d) during any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-Fund's investments or the current prices on any market or stock exchange;
- e) during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Sub-Fund's investments is not possible;
- f) from the date on which the Board of Directors decides to liquidate or merge one or more Sub-Fund(s)/Class of Shares or in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class of Shares is to be proposed; or
- g) during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the shareholders to continue dealing in shares of any Sub-Fund of the Company;
- h) during any other circumstance or circumstances where a failure to do so might result in the Company or its shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment to which the Company or its shareholders might not otherwise have suffered.

The Company may cease the issue, allocation, conversion and redemption of the shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the Luxembourg supervisory authority.

To the extent legally or regulatory required or decided by the Company, shareholders who have requested conversion or redemption of their shares will be promptly notified in writing of any such suspension and of the termination thereof.

### **Offer price**

Shares will be issued at a price based on the net asset value determined as at the relevant Valuation Day. Subscription proceeds shall be paid within the timeframe disclosed in the relevant section of the "Sub-Fund Particulars".

### **Redemption price**

Shares will be redeemed at a price based on the net asset value determined at the relevant Valuation Day less any applicable redemption charge disclosed in the relevant section of the "Sub-Fund Particulars". The redemption price will be payable within the timeframe disclosed in the relevant section of the "Sub-Fund Particulars".

### **Information on prices**

The Net Asset Value per share in each Sub-Fund is available at the registered office of the Company.

## **11. DIVIDENDS**

The Directors may issue distribution and capital-accumulation shares, as further specified in the relevant section of the "Sub-Fund Particulars".

- i) Capital-accumulation shares do not pay any dividends.
- ii) The distribution policy of the distribution shares can be summarised as follows:

Dividends will be declared by the relevant shareholders at the annual general meeting of shareholders or any other shareholder meeting. During the course of a financial year, the Board of Directors may declare interim dividends in respect of certain Sub-Fund(s) or distribution shares.

In the absence of any instruction to the contrary, dividends will be paid out. Holders of registered shares may however, by written request to the Registrar and Transfer Agent or by completion of the relevant section of the Application Form, elect to have dividends relating to any distribution Class of any Sub-Fund reinvested automatically in the acquisition of further shares relating to that Sub-Fund. Such shares will be purchased no later than on the next Valuation Day after the date of payment of the dividend. Shares allocated as a result of such reinvestment will not be subject to any sales charge.

## **12. CHARGES AND EXPENSES**

### **Management Company Fee and Management Fee**

In consideration for the management company services, including but not limited to investment management and distribution services provided to the Company, the Management Company is entitled to receive an aggregate management company fee of a percentage of the net assets of the relevant Sub-Fund/Class (the "Management Company Fee").



Unless otherwise provided for in the relevant section of the "Sub-Fund Particulars", this Management Company Fee will be accrued on each Valuation Day and payable monthly in arrears out of the assets of the relevant Sub-Fund/ Share Class.

In case the Management Company delegates one or several of its functions to an investment manager, or other services providers or in case it appoints an investment advisor or distributors, these services providers will be entitled to receive a fee for their services. Unless otherwise provided for in the section of the "Sub-Fund Particular", the fees and expenses of those services providers shall be paid directly by the Company out of the assets of the relevant Sub-Fund.

However, if the services providers were to be paid by the Management Company, the Management Company will be entitled to receive a management fee (the "Management Fee") which will include inter alia:

- the Management Company fee;
- the fee to be paid to any appointed investment adviser;
- the fee to be paid to any delegated investment manager.

The details of this Management Fee (if any) will be given in the section of the "Sub-Fund Particulars".

This fee will be paid to the Management Company out of the assets of the relevant sub-fund. In such case, the Management Company may instruct the Company to pay portions of the fees and expenses directly to the services providers. The fees and expenses due to the Management Company will be reduced accordingly.

### **Performance Fee**

To the extent provided for in the relevant section of the "Sub-Fund Particulars", the Management Company or where applicable the investment manager(s) will also be entitled to receive a performance fee (the "Performance Fee"), the details of which will (where applicable) be disclosed in the relevant section of the "Sub-Fund Particulars".

### **Central administration and Depositary Fees**

Unless otherwise provided for in the section of the "Sub-Fund Particular" the Company will pay to the Depositary and Principal Paying Agent, the Central Administrative Agent and the Registrar and Transfer Agent annual fees which will vary from 0.015 % of the net asset value to a maximum of 2% of the net asset value per sub-fund subject to a minimum fee per sub-fund of EUR 40.600 (this amount will be increased of EUR 1,000 if more than two share classes are issued per sub-fund) and a minimum fee of EUR 24.000 at the Company level.

These fees are payable on a monthly basis and do not include any transaction related fees and costs of sub-custodians or similar agents.

The Depositary, the Central Administrative Agent as well as the Registrar and Transfer Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above-mentioned fees.

The amount paid by the Company to the Depositary, the Central Administration Agent and the Registrar and Transfer Agent will be mentioned in the annual report of the Company.

The fees and expenses due to the Depositary and Principal Paying Agent, the Central Administrative Agent and the Registrar and Transfer Agent will be paid directly by the Company out of the assets of the relevant Sub-Fund.

Notwithstanding the above each Sub-Fund might have a different fee and expenses structure which will be specified in each Sub-Fund Particular when relevant.

### **Other charges and expenses**

The Company also pays the costs and expenses (i) of all transactions carried out by it or on its behalf (being understood that the sub-custodians' costs are included in these transactions costs) and (ii) of the administration of the Company, including but not limited to (a) the charges and expenses of legal advisers and the Auditor, (b) brokers' commissions (if any) and any issue or transfer taxes chargeable in connection with any securities transactions, (c) all taxes and corporate fees payable to governments or agencies, (d) Directors' fees, (e) Investment Manager's cost and expenses associated with the operations of the Company or the relevant Sub-Fund with regard to its establishment, organisational, administrative and offering expenses, (f) interest on borrowings, (g) communication expenses with respect to investor services and all expenses of meetings of shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses, key information documents, and similar documents, (h) the cost of insurance (if any), (i) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, being *inter alia* the cost of obtaining and maintaining the listing of the shares, as the case may be and marketing and promotional expenses (j) all expenses involved in registering and maintaining the registration of the Company with all governmental agencies and stock exchanges and (k) all other organisational and operating expenses, including out-of-pocket expenses incurred on behalf of the Company.

Any extraordinary expenses including, without limitation, litigation expenses and the full amount of any tax, levy, duty or similar charge and any unforeseen charges imposed on the Company or its assets will be borne by the Company.

Any costs incurred by the Company, which are not attributable to a specific Sub-Fund, will be charged to all Sub-Funds in proportion to their net assets. Each Sub-Fund will be charged with all costs or expenses directly attributable to it.

The Management Company may, at its discretion, and as more fully described in the relevant appendix of the Management Company Agreement, decide to bear part of these costs.

The costs and expenses for the formation of the Company and the initial issue of its shares will be borne by the first Sub-Funds of the Company and amortized over a period not exceeding 5 years. Any additional Sub-Fund(s) which may be created in the future shall bear their own formation expenses to be amortized over a period not exceeding 5 years.

### 13. MANAGEMENT COMPANY

The Company has appointed BIL Manage Invest S.A. as the management company pursuant to an agreement (the "Management Company Agreement") effective as of 21 January 2016.

BIL Manage Invest S.A. is a Luxembourg public limited liability company (*société anonyme*).

The Management Company is authorised by the CSSF as a management Company under Chapter 15 of the 2010 Law and as an alternative investment fund manager under Chapter 2 of the Luxembourg Law of 12 July 2013 on alternative investment fund managers.

In this capacity, the Management Company acts as asset manager, administrator and distributor of the Company's shares.

The Management Company has delegated the above-mentioned tasks as follows:

Tasks relating to investment management are performed by the investment managers as further detailed under section "Investment Manager" and in the relevant section of the "Sub-Fund Particulars".

The Management Company has delegated the administration functions to the Central Administrative Agent and registrar and transfer functions to the Registrar and Transfer Agent.

Tasks relating to distribution are performed by the distributors as further detailed under section "Distribution of Shares" and in the relevant section of the "Sub-Fund Particulars".

The board of directors of the Management Company shall have plenary powers on behalf of the Management Company and shall cause and undertake all such actions and provisions which are necessary in pursuit of the Management Company's objective, particularly in relation to the management of the Company's assets, administration and distribution of shares.

The board of directors of the Management Company is currently composed of the members listed in the Directory.

In addition to the Company, the Management Company also manages other undertakings for collective investment the list of which is available at the registered office of the Management Company.

The Management Company has adopted various procedures and policies in accordance with Luxembourg laws and regulations (including but not limited to CSSF regulation 10-04 and CSSF circular 12/546 as amended) such as but not limited to Shareholder complaints handling procedures, conflicts of interest rules, voting rights policy of the Company etc. Shareholders may, in accordance with Luxembourg laws and regulations, obtain a summary and/or more detailed information on such procedures and policies upon request and free of charge.

A brief description of the strategy followed for the exercise of voting rights of the Company will be available on <http://www.bilmanageinvest.com>.

Pursuant to Article 111bis of the Law, the Management Company has established a remuneration policy for those categories of staff (referred to as the "Identified Staff"), including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a

material impact on the risk profiles of the Management Company or the Company, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles or the Company's Articles of Incorporation.

The remuneration policy is in line with the business strategy, objectives, values and interests of the management company and the UCITS that it manages and of the investors in such UCITS, and includes measures to avoid conflicts of interest.

As per the remuneration policy of the Management Company, Identified Staff will receive a fixed remuneration based on experience and role, fringe benefits and a variable remuneration based on individual and collective performance criteria as well as on category of staff.

The up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if applicable), are available at <http://www.bilmanageinvest.com> and a paper copy will be made available free of charge upon request at the Management Company's registered office.

#### **14. INVESTMENT MANAGER / ADVISER**

The Management Company may, at its own costs, delegate all or part of its management duties to one or more investment managers (each an "Investment Manager") whose identity will be disclosed in the relevant section of the "Sub-Fund Particulars".

The Management Company or an Investment Manager may also appoint one or more investment advisers (each an "Investment Adviser") to advise it on the management of one or more Sub-Fund(s).

#### **15. DEPOSITARY AND PRINCIPAL PAYING AGENT**

##### **Depositary Bank's functions**

The Company has appointed RBC Investor Services Bank S.A. ("RBC"), having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as depositary bank and principal paying agent (the "Depositary") of the Company with responsibility for the

- (a) safekeeping of the assets,
- (b) oversight duties and
- (c) cash flow monitoring

in accordance with the 2010 Law, and the Depositary Bank and Principal Paying Agent Agreement dated 5 October 2016 and entered into between the Company and RBC (the "Depositary Bank and Principal Paying Agent Agreement").

RBC Investor Services Bank S.A. is registered with the Luxembourg Register for Trade and Companies (RCS) under number B-47192 and was incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2018 amounted to approximatively EUR 1,188,286,274.

The Depositary has been authorized by the Company to delegate its safekeeping duties (i) to delegates in relation to other Assets and (ii) to sub-custodians in relation to Financial Instruments and to open accounts with such sub-custodians.

An up to date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary or

via the following website link:

<https://apps.rbcits.com/RFP/gmi/updates/Appointed%20subcustodians.pdf>

The Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and the Shareholders in the execution of its duties under the 2010 Law and the Depositary Bank and Principal Paying Agent Agreement.

Under its oversight duties, the Depositary will:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the 2010 Law and with the Company's Articles of Incorporation,
- ensure that the value of Shares is calculated in accordance with the 2010 Law and the Company's Articles of Incorporation,
- carry out the instructions of the Company or the Management Company acting on behalf of the Company, unless they conflict with the 2010 Law or the Company's Articles of Incorporation,
- ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits,
- ensure that the income of the Company is applied in accordance with the 2010 Law or the Company's Articles of Incorporation.

The Depositary will also ensure that cash flows are properly monitored in accordance with the 2010 Law and the Depositary Bank and Principal Paying Agent Agreement.

The Depositary agrees to act as the principal paying agent in connection with the receipt of, for the account of and to deposit into the accounts of the Company, the amounts transferred to the benefit in respect of any subscriptions for Shares of the Company, the payment of dividends and other distributions on the Shares of the Company, including without limitation the payment, on behalf and out of the accounts of the Company, of the redemption price of the Shares in respect of any redemption requests.

### **Depositary Bank's conflicts of interests**

From time to time conflicts of interests may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. On an ongoing basis, the Depositary analyzes, based on applicable laws and regulations any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with the RBC's conflicts of interests' policy which is subject to applicable laws and regulation for a credit institution according to and under the terms of the Luxembourg law of 5 April 1993 on the financial services sector.

Further, potential conflicts of interest may arise from the provision by the Depositary and/or its affiliates of other services to the Company, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company, the Management Company and/or other funds for which the Depositary (or any of its affiliates) act.

RBC has implemented and maintains a management of conflicts of interests' policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interests;
- Recording, managing and monitoring the conflicts of interests' situations in:

- Implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary business;
- Implementing preventive measures to decline any activity giving rise to the conflict of interest such as:
  - RBC and any third party to whom the custodian functions have been delegated do not accept any investment management mandates;
  - RBC does not accept any delegation of the compliance and risk management functions.
  - RBC has a strong escalation process in place to ensure that regulatory breaches are notified to compliance which reports material breaches to senior management and the board of directors of RBC.
  - A dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

RBC confirms that based on the above no potential situation of conflicts of interest could be identified.

An up to date information on conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link:

<https://www.rbcits.com/en/who-we-are/governance/information-on-conflicts-of-interest-policy.page>

## **16. ADMINISTRATION**

### **Central Administrative and Domiciliary and Corporate Agent**

The Management Company has delegated the administration of the Company to RBC Investor Services Bank S.A., a service company registered in Luxembourg pursuant to an Administration Agency Agreement effective as of 21 January 2016 and has authorized the latter in turn to delegate tasks wholly or partly to one or more third parties under the supervision and responsibility of the Management Company.

As the Central Administrative Agent, RBC Investor Services Bank S.A., will assume all administrative duties that arise in connection with the administration of the Company.

RBC Investor Services Bank S.A. will further act as Domiciliary and Corporate Agent of the Company.

### **Registrar and Transfer Agent**

RBC Investor Services Bank S.A. has been appointed as Registrar and Transfer Agent of the Company pursuant to the Administration Agency Agreement effective as of 21 January 2016 with the Management Company, which may be terminated by a written prior notice given 90 days in advance by either party to the other.

## **17. CONFLICTS OF INTEREST**

The Management Company, the Investment Manager, the sales agents, the Central Administrative Agent, the Registrar and Transfer Agent and the Depositary may from time to time act as management company, investment manager or adviser, sales agent, administrator, Registrar and transfer agent or Depositary in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Company or any Sub-Fund. It is therefore possible that any of them may, in the due course of their business, have potential conflicts of interest with the Company or any Sub-Fund. In such event, each will at all times have regard to its obligations under any agreements to which it is party or by which it is bound in relation to the Company or any Sub-Fund. In particular, but without limitation to its obligations to act in the best interests of the shareholders when undertaking any dealings or investments where conflicts of interest may arise, each will respectively endeavour to ensure that such conflicts are resolved fairly.

There is no prohibition on the Company entering into any transactions with the Management Company, the Investment Manager, the sales agents, the Central Administrative Agent, the Registrar and Transfer Agent or the Depositary or with any of their affiliates, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. The Investment Manager or any affiliates acting in a fiduciary capacity with respect to client accounts may recommend to or direct clients to buy and sell shares of the Company.

Any kind of conflict of interest is to be fully disclosed to the management Company.

## **18. EXCHANGE OF INFORMATION BETWEEN MASTER FUND AND FEEDER FUND**

When a Master-Feeder structure is established with the Company, information exchange agreements are put in place to coordinate the interactions between the Feeder UCITS and the Master UCITS as required by the 2010 Law and the European Directive 2009/65 / EC:

- The exchange of information agreement between the Feeder UCITS and the Master UCITS shall describe in particular the measures taken regarding access to and exchange of information concerning the funds (including among others: legal documentation, risk management etc. ...), investment principles and divestment by the Company, the model provisions concerning the negotiation (including, among others: settlement cycle, coordination with respect to the frequency of the net asset value calculation , of orders etc ..) .

When the Management Company is the same for the Master UCITS and the Feeder UCITS, the exchange of information agreement is replaced by internal rules of conduct adopted by the Management Company.

- The exchange of information agreement between the depositary of the Master UCITS and the depositary of the Feeder UCITS when different. This agreement describes the documents and information to be shared between the depositaries or to be available upon request, terms and deadlines for transmission of such information, coordination among the depositaries on the operational side in order for them to perform their respective obligations under their national law, coordination for accounting year-end, declaration of irregularities at the Master UCITS level.

- The exchange of information agreement between the auditors of the Master and Feeder UCITS when different. This agreement describes the documents and information to be shared between the auditors or to be available upon request, terms and deadlines for transmission of such information, coordination of their participation in the accounting process of year-end fund, declaration of irregularities at the Master UCITS level, rules for ad hoc requests for assistance.

## **19. DISTRIBUTION OF SHARES**

The Management Company may from time to time appoint different distributors, the names of which will be listed in section "Sub-Fund Particulars". The distributors may be entitled to receive any applicable subscription fee, sales charge, conversion charges and distribution fees on all Shares handled by it.

The distributors involved in the distribution and/or placement of the Fund's shares may be entitled to a distribution fee up to 2% p.a. based on the assets introduced by them.

The investors shall be requested to pay a subscription fee which is also a right to enter into the fund to be calculated on the net asset value of the Shares to be issued. The applicable fee rate (if any) is set out in the relevant Appendix to the present Prospectus. This fee is payable to the distributor.

## **20. MEETINGS AND REPORTS**

The annual general meeting of shareholders of the Company (the "Annual General Meeting") is held at the registered office of the Company or such other place as may be specified in the notice of meeting in Luxembourg at 10 a.m. (Luxembourg time) on the last Friday of the month of April of each year (or, if such day is not a Business Day, on the next following Business Day in Luxembourg). The first Annual General Meeting will be held on the last Friday of April 2017.

If permitted by and under the conditions set forth in Luxembourg laws and regulations, the Annual General Meeting may be held at a date, time or place other than those set forth in the preceding paragraph, that date, time or place to be decided by the Board of Directors.

Other general meetings of shareholders will be held at such time and place as are indicated in the notices of such meetings.

Notices of general meetings are given in accordance with Luxembourg Law. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles of Incorporation.

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of shareholders may provide that the quorum and the majority at this general meeting shall be determined according to shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"), whereas the right of a shareholder to attend a general meeting of shareholders and to exercise the voting rights attaching to his shares shall be determined by reference to the shares held by this shareholder as at the Record Date.



The Company's accounting year ends on 31 December each year.

The first accounting year will end in December 2016. The first audited report shall be published as of December 2016 and the first unaudited semi-annual report shall be published as of June 2016.

The annual report containing the audited consolidated financial accounts of the Company expressed in EUR in respect of the preceding financial period and with details of each Sub-Fund in the relevant Base Currency is made available at the Company's registered office, at least 15 days before the Annual General Meeting.

The annual and semi-annual reports shall be made available at the registered office of the Company, the representatives and paying agents during ordinary office hours.

## **21. TAXATION**

### **Taxation of the Company**

The following summaries are based on the Company's understanding of the law and practice in force in Luxembourg at the date of this Prospectus. As shareholders will be resident for tax purposes in various jurisdictions, no attempt has been made in this Prospectus to summarise the tax consequences for every jurisdiction which may be applicable to investors subscribing for, purchasing, holding, exchanging, selling or redeeming shares. These consequences will vary in accordance with the law and practice in force in the relevant shareholder's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances. Hence no shareholder should solely rely on the following guidance when determining the tax consequences of investing in the Company's shares.

It is the responsibility of shareholders or prospective shareholders to inform themselves of the possible tax consequences of subscribing to, purchasing, holding, exchanging, selling or redeeming shares in the light of the laws of the country relevant to their citizenship, residence or domicile and of their personal circumstances and to take appropriate professional advice regarding exchange control or other legal restrictions relating thereto. Shareholders and prospective investors also should bear in mind that levels and bases of taxation, as well as tax authority practices, may change and that such changes may have, depending on the countries, retrospective effect.

### **Luxembourg**

The Company is not liable to any Luxembourg tax on profits or income, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

The Company is, however, liable in Luxembourg to a subscription tax of 0.05% per annum of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Company at the end of the relevant calendar quarter. This tax rate is reduced to 0.01% per annum for Classes of shares reserved to Institutional Investors. In addition, the value of the Sub-Fund(s)' assets represented by units held in other Luxembourg undertaking for collective investment shall be exempt from this tax, provided such units have already been subject to this subscription tax.

No stamp duty or other tax is payable in Luxembourg on the issue of shares, except a fixed registration duty on capital of EUR 75 at the time of its incorporation and any subsequent modification of the Articles of Incorporation.

No Luxembourg tax is payable on the realised or unrealised capital appreciation of the assets of the Company.

### **Taxation of shareholders**

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, selling or converting shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of a shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Prospective investors also should bear in mind that levels and bases of taxation may change.

### **Automatic exchange of information**

The OECD has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States.

The Euro-CRS Directive was implemented into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires 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 asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company will require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a shareholder and his/her/its account to the Luxembourg tax authorities (*Administration des Contributions Directes*), if such account is deemed a CRS reportable account under the CRS Law. Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States for the data relating to the calendar year 2016. For Austria, the Euro-CRS Directive applies the first time by 30 September 2018 for the calendar year 2017, i.e. the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments of 3 June 2003, as amended (the "Savings Directive"), will apply one year longer

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-Member States; it requires agreements on a country-by-country basis.

Investors in the Company may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

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

## **Luxembourg**

Non-resident shareholders are not subject to any income, withholding, estate, inheritance or other taxes in Luxembourg.

If necessary, investors should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring or selling the Company's shares under the laws of their countries of citizenship, residence or domicile.

## **Prospective investors**

**Prospective investors should inform themselves of, and, when appropriate, take advice on, the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls) applicable to the subscription, purchase, holding conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation and the current tax status of the Company in Luxembourg.**

## **Applicable law**

The Luxembourg District Court is competent for all legal disputes between the shareholders and the Company. Luxembourg law applies. The English version of this Prospectus is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg and are subject to changes in those laws and practice.

## **22. FOREIGN ACCOUNT TAX COMPLIANCE ACT**

The Foreign Account Tax Compliance Act ("FATCA"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States of America in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with such Luxembourg IGA as implemented into

Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA, to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law places upon it.

To ensure the Company's compliance with FATCA, the FATCA LAW and the Luxembourg IGA in accordance with the foregoing, the Management Company may:

- a. request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder's FATCA status;
- b. report information concerning a shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a US reportable account under the FATCA Law and the Luxembourg IGA;
- c. report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution;
- d. deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA and FATCA Law and the Luxembourg IGA; and
- e. divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

## **23. LIQUIDATION OF THE COMPANY / TERMINATION AND AMALGAMATION OF SUB-FUNDS**

### **Liquidation of the Company**

The Company is incorporated for an unlimited period and with the consent of the shareholders expressed in the manner provided for by articles 67-1 and 142 of the 1915 Law, the Company may be liquidated.

If at any time the value at their respective net asset values of all outstanding shares falls below two thirds of the minimum capital for the time being prescribed by Luxembourg Law, the Board of Directors must

submit the question of dissolution of the Company to a general meeting of shareholders acting, without minimum quorum requirements, by a simple majority decision of the shares represented at the meeting.

If at any time the value at their respective net asset values of all outstanding shares is less than one quarter of the minimum capital for the time being required by Luxembourg Law, the Directors must submit the question of dissolution of the Company to a general meeting, acting without minimum quorum requirements and a decision to dissolve the Company may be taken by the shareholders owning one quarter of the shares represented at the meeting.

Any voluntary liquidation will be carried out in accordance with the provisions of the 2010 Law and the 1915 Law which specify the steps to be taken to enable shareholders to participate in the liquidation distribution(s) and in that connection provides for deposit in escrow at the *Caisse de Consignation* of any such amounts to the close of liquidation. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg laws.

The net liquidation proceeds for each Sub-Fund shall be distributed to the Shareholders of the relevant Sub-Fund in proportion to their respective holdings.

Upon a decision taken by the Shareholders or by the liquidator duly authorised and subject to a one month's prior notice to the Shareholders, all assets and liabilities of the Company may be transferred to another UCITS having substantially the same characteristics as the Company in exchange for the issue to Shareholders of shares of such UCITS proportionate to their shareholdings in the Company.

### **Liquidation and merger of Sub-Fund(s)/Classes**

The Directors may decide to liquidate one Sub-Fund or Class of Shares if (i) the net assets of such Sub-Fund or a Class of Shares of such Sub-Fund or a Class of Shares has decreased to an amount determined by the Directors to be the minimum level for such Sub-Fund or Class of Shares to be operated in an economically efficient manner, (ii) a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if the interests of the shareholders of any Sub-Fund or Class of Share would justify it. The decision of the liquidation will be published or notified to the shareholders by the Company as decided from time to time by the Directors, prior to the effective date of the liquidation and the publication/notification will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides, in the interests of, or to keep equal treatment between, the shareholders of the Sub-Fund or Class concerned may continue to request redemption or conversion of their shares. Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the Sub-Fund or Class concerned will be deposited with the *Caisse de Consignation* on behalf of their beneficiaries.

Where the Board of Directors does not have the authority to do so or where the Board of Directors determines that the decision should be put for shareholders' approval, the decision to liquidate a Sub-Fund or Class may be taken at a meeting of shareholders of the Sub-Fund or Class to be liquidated instead of being taken by the Board of Directors. At such Class/Sub-Fund meeting, no quorum shall be required and the decision to liquidate must be approved by shareholders with a simple majority of the votes cast. The decision of the meeting will be notified to the shareholders and/or published by the Company.

Under the same circumstances as provided above, the Directors may decide to close down any Sub-Fund by merger into another Sub-Fund of the Company or into 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). Such decision will be notified to shareholders in the same manner as described above. The notification will contain information in relation to the new sub-fund or where applicable UCITS or sub-fund thereof in accordance with the 2010 Law and related regulations and will be made at least 30 calendar days before the last day for requesting the redemption or conversion of the Shares free of charge.

Any merger of a Sub-Fund/Class of shares shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for a merger to a meeting of shareholders of the Sub-Fund (or Class as the case may be) concerned. No quorum is required for this meeting and decisions are taken by the simple majority of the votes cast.

In case of a merger of one or more Sub-Fund(s) where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of shareholders for which no quorum is required and that may decide with a simple majority of votes cast. In addition, the provisions on mergers of UCITS set forth in the 2010 Law and any implementing regulation (relating in particular to the notification to the shareholders concerned) shall apply.

## **24. DOCUMENTS AVAILABLE FOR INSPECTION, QUERIES AND COMPLAINTS**

### **Documents available for inspection**

The following documents are available for inspection during usual business hours on any Business Day at the registered office of the Company.

- i) The Articles of Incorporation;
- ii) The most recent Prospectus;
- iii) The Key Information Documents;
- iv) The latest annual and semi-annual reports; and
- v) The material agreements.

In addition, copies of the Articles of Incorporation, the most recent Prospectus, the Key Information Documents and the latest financial reports may be obtained free of charge, on request at the registered office of the Company and are available on the website of the Management Company <http://www.bilmanageinvest.com>.

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Company, the policy for placing orders to deal on behalf of the Company with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the Company.

A brief description of the strategy followed for the exercise of voting rights of the Company will be available on <http://www.bilmanageinvest.com>.

## **Queries and complaints handling**

Any person who would like to receive further information regarding the Company should contact the Company or the Management Company.

Shareholders of the Company may file complaints free of charge with the Management Company in an official language of their home country.

## **25. GENERAL INVESTMENT RESTRICTIONS**

Each Sub-Fund of the Company or where a UCITS comprises more than one compartment, each compartment of such UCITS shall be regarded as a separate UCITS for the purposes of this Appendix. The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Company in respect of each Sub-Fund and the currency of denomination of a Sub-Fund subject to the following restrictions:

### **I. (1) The Company may invest in:**

- a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State of the European Union which is regulated, operates regularly and open to the public;
- c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the EU located in Europe, Asia, Oceania (including Australia), the American continents and Africa or dealt in on another market in a non-Member State of the EU located in Europe, Asia, Oceania (including Australia), the American continents and Africa which is regulated, operates regularly and is recognised and open to the public;
- d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within a year of the issue;
- e) units of UCITS and/or Other UCI, whether situated in an EU Member State or not, provided that:
  - such Other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;

- the level of protection for unitholders in such Other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of Directive 2009/65/EC, as amended;
  - the business of such Other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the Other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or Other UCIs.
- f) deposits with credit institutions (with the exclusion of bank deposits at sight) which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU Member State or if the registered office of the credit institution is situated in a non-EU Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section (1) (a), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund(s) may invest according to its/their investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

and/or

- h) Money Market Instruments other than those dealt in on a Regulated Market and defined in the Glossary, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the



European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or

- issued by an undertaking any securities of which are dealt in on Regulated Markets;
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by the Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law; or
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (1) above.

II. The Company may hold ancillary liquid assets.

Except for situations of exceptionally unfavourable market conditions where a temporary breach of the 20% limit is required by the circumstances and justified having regard to the interests of the shareholders, Sub-Funds may hold up to 20% of their net assets in ancillary liquid assets (i.e.: bank deposits at sight that are accessible at any time), in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions.

- III. a) (i) The Company will invest no more than 10% of the net assets of any Sub-Fund in Transferable Securities and Money Market Instruments issued by the same issuing body.
- (ii) The Company may not invest more than 20% of the total net assets of such Sub-Fund in deposits made with the same body. The risk exposure of a Sub-Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. (1) f) above or 5% of its net assets in other cases.

- b) Moreover, where the Company holds on behalf of a Sub-Fund investment in Transferable Securities and Money Market Instruments 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 40% of the total net assets of such Sub-Fund.

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

Notwithstanding the individual limits laid down in paragraph III. a), the Company shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following for each Sub-Fund:

- investments in Transferable Securities or Money Market Instruments issued by that body,
  - deposits made with that body, or
  - exposures arising from OTC derivative transactions undertaken with that body
- c) The limit of 10% laid down in sub-paragraph III. a) (i) above will be increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by an EU Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more EU Member States are members.
- d) The limit of 10% laid down in sub-paragraph III. a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If a Sub-Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net asset value of the Sub-Fund.
- e) The Transferable Securities and Money Market Instruments referred to in paragraphs III. c) and III. d) shall not be included in the calculation of the limit of 40% stated in paragraph III. b) above.

The limits set out in sub-paragraphs a), b), c), and d) may not be aggregated and, accordingly, investments in Transferable Securities and Money Market Instruments issued by the same issuing body, in deposits or in financial derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any Sub-Fund's net assets;

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

The Company may cumulatively invest up to 20% of the net assets of a Sub-Fund in Transferable Securities and Money Market Instruments within the same group.

- f) **Notwithstanding the above provisions, the Company is authorised to invest up to 100% of the net assets of any Sub-Fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by another member state of the OECD, Singapore or any member state of the G20 or by public international bodies of which one or more Member States of the EU are members, provided that such Sub-Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the total net assets of such Sub-Fund.**
- IV. a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Sub-Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Sub-Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market conditions, in particular on 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.
- V. The Company may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.

The Company may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the Money Market Instruments of the same issuer.

The limits under the second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU or its local authorities or

by any other Eligible State or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by the Company in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that state provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraphs III., V. and VI. a), b), c) and d).

- VI. a) The Company may acquire units of the UCITS and/or Other UCIs referred to in paragraph I. (1) e), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of other UCITS or Other UCI, unless otherwise provided in the relevant section of the "Sub-Fund Particulars" in relation to a given Sub-Fund.

For the purpose of the application of the investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

- b) 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 the investment restrictions set forth under III. above.
- c) When the Company invests in the units of other UCITS and/or Other UCIs linked to the Company by common management or control, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or Other UCIs.

In respect of a Sub-Fund's investments in UCITS and Other UCIs linked to the Company as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund itself and the other UCITS and/or Other UCIs concerned shall not exceed 1.5% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and Other UCIs in which such Sub-Fund has invested during the relevant period.

- d) The Company may acquire no more than 25% of the units of the same UCITS and/or Other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or Other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all compartments combined.

- VII. In compliance with the applicable laws and regulations and under the conditions and within the limits laid down in the 2010 Law, the Company may (i) create any Sub-Fund qualifying either as feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its

Feeder UCITS. A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS).

A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with II;
- financial derivative instruments, which may be used only for hedging purposes;
- movable and immovable property which is essential for the direct pursuit of its business.

For the purposes of compliance with article 42(3) of the 2010 Law, a Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent of the first sub-paragraph with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

A Sub-Fund of the Company may in addition and to the full extent permitted by applicable laws and regulations but in compliance with the conditions set-forth by applicable laws and regulations, be launched or converted into a Master UCITS in the meaning of Article 77(3) of the 2010 Law.

A Master UCITS is a UCITS or one of its sub-funds that a) has at least one Feeder UCITS among its shareholders; b) is not itself a Feeder UCITS and c) does not hold units of a Feeder UCITS.

VIII. A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Fund of the Company (each a "Target Sub-Fund") without the Company being, subject to the requirements of the 1915 Law with respect to the subscription, acquisition and/or the holding by a company of its own shares; under the condition however that:

- the Investing Sub-Fund may not invest more than 10% of its net asset value in a single Target Sub-Fund; and
- the Target Sub-Fund(s) do(es) not, in turn, invest in the Investing Sub-Fund invested in this (these) Target Sub-Fund (s); and
- the investment policy(ies) of the Target Sub-Fund(s) whose acquisition is contemplated does not allow such Target Sub-Fund(s) to invest more than 10% of its(their) net asset value in UCITS and UCIs; and
- voting rights, if any, attaching to the shares of the Target Sub-Fund(s) held by the Investing Sub-Fund are suspended for as long as they are held by the Investing 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 Investing Sub-Fund, 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.

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

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

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in restriction III. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in restriction III. The rebalancing frequency of the underlying index of such financial derivative instruments is determined by the index provider and there is no cost to the Company when the index itself rebalances.

When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

- X.
- a) The Company may not borrow for the account of any Sub-Fund amounts in excess of 10% of the total net assets of that Sub-Fund, any such borrowings to be from banks and to be effected only as a temporary basis provided that the purchase of foreign currencies by way of back to back loans remains possible.
  - b) The Company may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent the Company from (i) acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I. (1) c), g) and h) which are not fully paid, and (ii) performing permitted securities lending activities that shall not be deemed to constitute the making of a loan.

- c) The Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
- d) The Company may not acquire movable or immovable property.
- e) The Company may not acquire either precious metals or certificates representing them.

XI. If the percentage limitations set forth in the above restrictions are exceeded for reasons beyond the control of the Company 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.

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

During the first six months following its launch, a new Sub-Fund may derogate from restrictions III., IV. and VI. a), b) and c) while ensuring observance of the principle of risk spreading.

## **26. USE OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS**

Financial techniques and instruments (such as securities lending, sale with right of repurchase transactions as well as repurchase and reverse repurchase agreements) may be used by any Sub-Fund for the purpose of generating additional capital or income or for reducing costs or risk, to the maximum extent allowed by and within the limits set forth in (i) article 11 of the Grand Ducal regulation of 2008, (ii) CSSF Circulars 08/356, 13/559 and 14/592 and (iii) any other applicable laws, regulations, circulars or CSSF positions and ESMA Guidelines 2012/832.

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational cost/fees, will be returned to the Company. In particular, fees and cost may be paid to any intermediary providing services in connection with efficient portfolio management techniques as normal compensation of their services.

Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid will be made available in the annual report of the Company if applicable and/or disclosed in the relevant section of "Sub-Fund Particulars".

The Company may lend portfolio securities to third persons 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 subject to prudential supervision rules which are considered by the CSSF as equivalent to those laid down in community law and that is specialised in that type of transaction.

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.

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-Fund's investment policies.

The Company will receive collateral in accordance with section 27 if applicable.

Such collateral 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.

Lending transactions may not be carried out for more than 30 days and in excess of 50% of the total valuation of the portfolio securities. These limits are not applicable if the Company has the right to terminate the lending contract at any time and obtains restitution of the securities lent.

The Company may enter into repurchase agreements which consist in the purchase and sale of securities whereby the terms of the agreement entitle the seller to repurchase from the purchaser the securities at a price and at a time agreed amongst the two parties at the conclusion of the agreement.

The Company may act either as purchaser or as a seller in repurchase transactions.

Its entering in such agreements is however subject to the following rules:

- The Company may purchase or sell securities in the context of a repurchase agreement only if its counterpart is a highly rated financial institution which are experts in this type of transactions and which are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.
- During the lifetime of a repurchase agreement, the Company may not sell the securities which are the object of the agreement either before the repurchase of the securities by the counterparty has been carried out or the repurchase period has expired.
- The Company must ensure to maintain the value of purchased securities subject to a repurchase obligation at a level such that it is able, at any time, to meet its obligations to redeem its own Shares.
- When the Company enters into a reverse repurchase agreement, it must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the Company.
- When the Company enters into a repurchase agreement, it should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

The Management Company or the Investment Manager (where appropriate) does not intend to enter, on behalf of a Sub-Fund, into repurchase agreements, carry out securities lending transactions or other similar types of operations requiring the exchange of collateral. The Company is not subject to the publication requirements concerning the Securities Financing Transaction Regulation “SFTR”. In case of change, the prospectus will be amended accordingly.

## **27. MANAGEMENT OF COLLATERAL IN RESPECT OF TECHNIQUES AND INSTRUMENTS RELATING TO TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS AND OTC FINANCIAL DERIVATIVE TRANSACTIONS**

The Management Company or the Investment Managers (if any) have authority to agree the terms for collateral arrangements, duly advising the Management Company of what arrangements have been made, for purposes of managing counterparty risk where transactions in over-the-counter ("OTC") Financial Derivative Instruments ("FDIs") have been executed. Transactions in FDIs can only be executed with approved counterparties. Such transactions will at all times be governed by approved



Group standard documentation such as a legally enforceable bilateral ISDA, and an accompanying Credit Support Annex ("CSA") where it has been agreed that collateral will form part of the transaction.

Assets received by the Company as collateral in the context of efficient portfolio management techniques and in the context of OTC FDIIs will comply with the following criteria at all times:

- Liquidity: any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the provisions of paragraph V of section 25 "General Investment Restrictions".
- Valuation: eligible collateral, as determined is valued daily by an entity that is independent from the counterparty on a mark-to-market basis.
- Issuer credit quality: non-cash collateral received is of high credit quality (at least A3 and A-).
- Haircut policy: haircuts will take into account the characteristics of the assets such as the credit standing or the price volatility. Assets that exhibit high price volatility will not be accepted by the Company as collateral unless suitably conservative haircuts are in place. Haircuts are reviewed by the Management Company on an ongoing basis to ensure that they remain appropriate for eligible collateral taking into account collateral quality, liquidity and price volatility.
- Correlation: collateral received by the Company is issued by an entity that is independent from the counterparty or by one that is expected not to display a high correlation with the performance of the counterparty.
- Diversification: collateral received by the Company will remain sufficiently diversified such that no more than 20% of the net asset value of a sub-fund will be held in a basket of non-cash collateral (and reinvested collateral) with the same issuer.
- Enforceability: collateral received by the Company is capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- Non-cash collateral received should not be sold, reinvested or pledged.
- Reinvestment of cash collateral: where received by the Company, reinvested cash collateral will remain sufficiently diversified in accordance with the diversification requirements applicable to non-cash collateral and may only be:
  - Placed on deposit with credit institution having its registered office in a country which is a Member State or with a credit institution having its registered office in a third country provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in European Community law;
  - Invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds approved by the Management Company.
- A Sub-Fund that receives collateral for at least 30% of its net assets will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Company to assess the liquidity risk attached to the collateral. This stress testing policy will:
  - ensure appropriate calibration, certification and sensitivity analysis;
  - consider an empirical approach to impact assessment, including back-testing of liquidity risk estimates;
  - establish reporting frequency and limit/loss tolerance threshold/s; and
  - consider mitigation actions to reduce loss including haircut policy and gap risk protection.

- Other risks - other risks linked to the management of collateral, such as operational and legal risks, are identified, managed and mitigated by the risk management process.

The following haircut policy for collateral in OTC transactions will be applied by the Company. The Company reserves the right to vary this policy at any time and will update the Prospectus accordingly.

Type of financial guarantee received	Discount
Cash	0%

100 % of the collateral received in cash will be in the Reference Currency.

Since the Company does not intend to reuse financial instruments received under a collateral arrangement such as for a Securities Financing Transaction (SFT), it is currently not subject to the publication requirements concerning the transparency of securities financing transactions and of reuse of cash collateral (Regulation EU 2015/2365 known as “SFTR”).

## **SUB-FUND PARTICULARS**

### **LUX MULTIMANAGER SICAV - THEMA Equities Fund**

#### **1. Name of the Sub-Fund**

LUX MULTIMANAGER SICAV - THEMA Equities Fund or LMM - THEMA Equities Fund (the "**Sub-Fund**").

#### **2. Base Currency**

Euro ("**EUR**")

#### **3. Investment objective, policy and strategy, maximum level of leverage**

##### **Objectives**

The objective of the Sub-Fund is to preserve shareholders' wealth and to achieve long-term capital growth subject to moderate volatility with:

1. a target (unlevered) return of 3M Euribor + 5% p.a.;
2. a volatility: below relevant equity markets over the investment horizon; and
3. an investment horizon: 10+ years.

There is no guarantee that the Sub-Fund's investment objective will be achieved.

##### **Investment Strategy**

The Sub-Fund's investment strategy can be characterized as long-term, value-oriented and opportunistic. The Sub-Fund will invest in highly liquid assets for the long term with emphasis on industries with real rather than intangible assets. While exposures and run comparisons will be monitored, there will not be at any time strict adherence to commonly used benchmarks. Economic and market risks will be closely monitored.

Strategy will focus on portfolio diversification and risk minimization. Risk will be assessed on individual investments as well as on a portfolio level.

The Sub-Fund may borrow on a temporary basis up to 10% of its net assets. The Sub-Fund may use financial derivative instruments for hedging purposes.

##### **Policy and Investment Guidelines**

The Sub-Fund will invest more than 50% and up to 100% of its Net Asset Value in listed Equities.

The Sub-Fund will mainly invest in large capitalization (>\$10 billion), well-established European, but also US, companies with a recognizable brand name, solid market share and reputable management. The allocation in European and US equities will vary depending on macroeconomic and financial conditions, attractiveness of each region in terms of companies' valuations, financial risks and on the general investment strategy of the Investment Manager.

The Sub-Fund may also to a limited extent be allowed to invest opportunistically in less liquid mid and small-cap equities (<\$10 billion) up to 20% of NAV.

Although European (but also US equities) will be the main investments of the Sub-Fund, up to 20% of NAV may be allocated to other Developed markets while not more than 20% of NAV may be allocated to Emerging Markets.

The Sub-Fund's direct equity investments will concentrate on (a) companies with a solid real asset base in industries such as energy, materials, utilities, industrials, etc., (b) financial companies such as banks and insurance companies and (c) healthcare. Investments in companies with high intangibles relative to their long-term assets, predominantly IT patents and brand names, will generally be avoided. Specifically, the Sub-Fund may invest up to 35% of NAV in energy, up to 30% of NAV in financials and up to 25% of NAV in each of all other equity sectors.

In order to supplement its direct equity investment activities, the Sub-Fund may further invest a portion of its assets (up to 25% of its net assets) in long-only equity funds (e.g. UCITS and Other UCIs) with Assets under Management (AuM) in excess of €500 million.

The Sub-Fund may finally invest part of its net assets in fixed income and cash (less than 50% of its net assets). Fixed income may also include investments in bond funds (e.g. UCITS, Other UCIs and money market funds), which should not exceed 10% of the fund's net assets.

The Sub-Fund's bond investments shall focus on developed market corporates as well as emerging markets bonds. Investments in Emerging Market High Yield bonds would be limited to instruments for which the Government, including state-owned entities, has an ownership stake of more than 50%.

The Sub-Fund will normally invest in low duration securities (up to 3 years' maturities) as a means to mitigate credit and interest rate risk. Fixed-income securities will generally be deployed as an alternative to cash, preferably with a higher yield, and generally be kept until maturity. Nevertheless, the Investment Manager may also opt to invest in longer duration securities in a high interest rate environment.

The Sub-Fund will aim to invest in bonds denominated in the sub-Fund's base currency i.e., Euro, unless yields available are judged not be competitive by the Investment Manager. In such case, as well as taking into consideration currency prospects, the Investment Manager may also choose to invest in non-EUR denominated debt but excluding Emerging Markets local currencies, for currency diversification and / or added yield.

The Sub-Fund will not invest in ABS, MBS and convertible bonds (or contingent convertible bonds).

#### **4. Investment Manager**

The Management Company will appoint as investment manager for the Sub-Fund (the "**Investment Manager**") **Easternmed Asset Management Services Ltd**, a private company limited by shares, incorporated under the laws of the Republic of Cyprus under Registration No. HE342398 and having its registered office at 11 Kyriakou Matsi, Nikis Center, 8th floor, P.C. 1082 Nicosia, Cyprus (the "**Investment Manager**") pursuant to an investment management agreement dated as of 1 June 2019.

#### **5. Profile of the typical investor**

The Sub-Fund is suitable for retail, high net worth individuals and institutional investors with a conservative approach and sufficient knowledge and experience. The investor must have experience with volatile products.

The Sub-Fund is suitable for investors with an investment horizon of investment of 10 years and more.

The investor must be able to accept significant temporary losses. However, there can be no assurance that the investors recover the assets originally invested to the Sub-Fund as the value of the Sub-Fund may either increase or decrease.

IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.

## **6. Specific Risk Factors**

The main general risks associated with investment in this Sub-Fund are:

- European and U.S. Equities
- Market and Volatility
- Euro currency risk

Please refer to the general part of the prospectus for more information on the risks associated with an investment in the Sub-Fund.

## **7. Global Exposure**

The method used to calculate overall exposure of the Compartment is the commitment calculation method.

## **8. Classes of shares available for subscription**

<b>Class of Shares</b>	<b>Class M</b>	<b>Class I</b>	<b>Class A</b>	<b>Class B</b>
<b>Reference currency</b>	EUR	EUR	EUR	EUR
<b>Minimum initial investment and minimum holding</b>	€ 100.-	€ 4,000,000.-	€ 4,000,000.-	€100,000.-
<b>Minimum subsequent investment</b>	€ 100.-	€ 1,000,000.-	€ 1,000,000.-	€ 100,000.-
<b>Distribution policy</b>	capitalization	capitalization	Capitalization	capitalization

<b>Launch date</b>	26 September 2016	26 September 2016	To be determined by the Board of Directors and as disclosed in the relevant KID	To be determined by the Board of Directors and as disclosed in the relevant KID
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Class A is available to high-net-worth individuals.

Class I is available to institutional investors.

Class B is available to all types of investors.

Class M Shares may only be held by the Banque Internationale à Luxembourg. The Articles of Incorporation provide that Class M shareholders will be entitled to propose to the annual general shareholders' meeting or any other general shareholders' meeting of the Company which agenda includes a resolution relating to Directors' appointment, a list containing names of candidates for the position of Director. At any time, at least the majority of the Directors must have been appointed out of the list of candidates proposed by Class M shareholder holding the majority of the Class M Shares, subject to the receipt of the necessary corporate and regulatory approvals.

## 9. Fees and expenses

The fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per share.

<b>Class of Shares</b>	<b>Class M**</b>	<b>Class I</b>	<b>Class A</b>	<b>Class B</b>
<b>Management Fee*</b>	0.00%	Up to 0.30%	Up to 0.50%	Up to 1.00%
<b>Subscription Fee</b>	0.00%	0.00%	0.00%	Up to 1.00%
<b>Redemption Fee</b>	0.00%	0.00%	0.00%	Up to 1.00%
<b>Subscription Tax (<i>taxe d'abonnement</i>)</b>	0.01% ***	0.01% ***	0.05% ***	0.05% ***
<b>Distribution Fee</b>	0.00%	0.00%	0.00%	0.00%
<b>Conversion Fee</b>	0.00%	0.00%	0.00%	0.00%
<b>Performance Fee</b>	N/A	N/A	N/A	N/A

\* The Management Fee will be paid by the Sub-Fund to the Management Company on a monthly basis. This fee will include the Management Company Fee and the Investment Management Fee. The Investment Management Fee will be paid by the Management Company.

\*\* All costs of Share Class M will be borne by its Shareholder.

\*\*\* In case the Sub-Fund invests in other Luxembourg UCITS or Other UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Act, no annual subscription tax (*taxe d'abonnement*) is due from the Sub-Fund on the portion of assets invested therein.

## **10. Frequency of the Net Asset Value calculation and Valuation Day**

The Net Asset Value per share will be determined on each Business Day (the "Valuation Day").

The Net Asset Value per share will be calculated on the first Business Day following the Valuation Day with the close of business ("COB") prices as of the Valuation Day (the "Calculation Day").

## **11. Subscription**

### *a) Subscriptions during the Initial Offer Period*

The Initial Offering period will be determined by the Board of Directors and disclosed in the relevant KIDs (the "Initial Offering Period").

During the Initial Offer Period, subscriptions of shares in the Sub-Fund will be accepted at an initial subscription price of EUR 100 per share (the "Initial Offering Price").

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the last day of the Initial Offer Period. The subscription money must be received on the account of the Sub-Fund at the latest 2 Business Days after the last day of the Initial Offer Period.

### *b) Subscriptions after the Initial Offer Period*

Shares will be issued at the Net asset Value per share determined as at the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 2.00 p.m. Luxembourg time on each Business Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than 2 Business Days after the relevant Valuation Day.

## **12. Redemption**

Shares will be redeemed at the Net Asset Value per share determined as at the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 2.00 p.m. Luxembourg time on each Business Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for redeemed Shares has to be made no later than 3 Business Days after the relevant Valuation Day.

### **13. Conversions**

Shares of the Sub-Fund may not be converted into Shares of any other sub-fund. Conversions from one Class of Shares of the Sub-Fund to another Class of Shares of the Sub-Fund are allowed, subject to compliance with applicable requirements as set out in section 9 of this Sub-Fund Particular.

### **14. Historical Performance**

Information on the historical performance of the Sub-Fund, if available, is disclosed in the relevant Key Information Document.



## SUB-FUND PARTICULARS

### LUX MULTIMANAGER SICAV – Bainbridge Equity Market Neutral Fund

#### 1. Name of the Sub-Fund

LUX MULTIMANAGER SICAV – Bainbridge Equity Market Neutral Fund or LMM – Bainbridge Equity Market Neutral Fund (the “**Sub-Fund**”)

#### 2. Base Currency

Euro ("EUR")

#### 3. Investment objective and strategy

##### Objectives

The Sub-Fund’s objective is to participate dynamically in relative value changes within the equity asset class, seeking to achieve an absolute return objective of Libor 3M + 5% to 7%.

It will aim to have a stable long-term volatility of 6% to 8% while maintaining an overall neutrality to global equity markets over the medium term to long term. (> 5 years).

There is no guarantee that the Sub-Fund’s investment objective will be achieved.

##### Investment Strategy

The Sub-Fund follows a global, quantitative, equity market neutral trading strategy.

'Equity Market Neutral' is an investment strategy which aims to capture a positive return regardless of the market’s direction. This goal will be achieved by exploiting differences in stock prices by being long and short in stocks within markets, sectors, industries or countries through indirect exposure by using derivatives. No direct short positions shall ever be held by the sub-fund.

This strategy is intended to create returns that, over an extended period of time, are uncorrelated with general equity market performance, however this cannot be guaranteed and over discrete periods there may be a high degree of positive or negative correlation.

The Sub-Fund will implement the strategy by investing in derivatives on global equity securities (ordinary shares in companies) or equity indices. The equity securities are managed by the Investment Manager using a systematic stock selection process. to hold, indirectly, long positions in the investments it favours and indirectly short positions to the investments it does not favour through derivatives such as futures and CFD

The Sub-Fund may trade derivatives over the-counter or on an exchange. Such derivatives may include, but are not limited to, the use of currency forwards, exchange traded futures and contracts for differences. Contracts for differences shall always account for at least 50% and maximum 750% of the Net Asset Value of the Sub-Fund.

The stock selection process will be achieved through the following countries, but not exclusively:

- United States,
- Europe (Germany, France, Spain, UK, Denmark, Finland, Norway, Sweden, Portugal, Spain, Austria, Belgium, Switzerland); and
- Asia-Pacific (Hong Kong, Japan, Australia)

Other countries may be added to the list at the discretion of the Investment Manager (as defined hereafter).

In addition, Shares may be offered in several hedged classes (the "Hedged Share Classes", each a "Hedged Share Class"), with different reference currencies.

It is generally intended to carry out such hedging through the utilisation of various techniques, including entering into over the counter ("OTC") currency forward contracts and foreign exchange swap agreements.

All costs and expenses incurred from the currency hedge transactions will be borne on a pro rata basis by all Hedged Share Classes denominated in the same reference currency.

Investors should be aware that any currency hedging process may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful.

#### **4. Leverage**

Leverage generated by derivatives will be measured by the amount of notional approach recommended by ESMA and could be up to 750 % of the Net Asset Value of the Sub-Fund.

The use of borrowing will be limited to the 10% referred to in the UCITS law.

#### **5. Investment Manager**

The Management Company has appointed Bainbridge Partners LLP as delegated Investment Manager pursuant to an investment management agreement dated as of December 10, 2018.

Bainbridge Partners is a private alternative asset management firm with a particular expertise in the development of quantitative trading programs, including equity market neutral equity programs and cross-asset risk premia programs.

Bainbridge was founded in New York in June 2002 and the firm relocated to London in 2008. The firm's philosophy is founded on a trader's perspective to asset management leading to a unique, differentiated approach to systematic and risk premia investing. Bainbridge Partners LLP is authorised and regulated by the FCA and registered with the CFTC/ member of the NFA. Its registered office is at Montpelier House, 106 Brompton Road, 5th Floor, London, SW3 1JJ, United Kingdom.

The Investment Manager will manage the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objectives and strategy as well as with the investment and borrowing restrictions of the Company and the Sub-Fund under the overall responsibility of the Board of Directors.

## 6. Profile of the typical investor

The typical investor is an investor that is familiar with UCITS Alternative Investment (UAI) and absolute return strategies.

The Sub-Fund is suitable for investors with sufficient knowledge of equity investments and risks associated with portfolios including both long and short exposures to equity securities.

**IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.**

## 7. Specific Risk Factors

When considering investing in the Sub-Fund, any potential investor should bear in mind that share in the Sub-Fund may decline abruptly in value and should be prepared to sustain a total loss of their investment.

The following risk factors should be considered carefully and read in conjunction with the Risk Factors set out in the main prospectus, but are not meant to be an exhaustive listing of all potential risks associated with an investment in the Sub-Fund:

- Leverage: the Sub-Fund will use leverage, which tends to accentuate changes in market prices; small fluctuations in market prices may lead to large losses for the Sub-Fund;
- Model and data risk: trading in the Sub-Fund relies on quantitative models that use market data supplied by third party providers. Success of models depends on the accuracy and reliability of the supplied data.

Please refer to the general part of the prospectus for more information on the risks associated with an investment in the Sub-Fund.

## 8. Global Exposure

The Sub-Fund will use the Value-at-Risk (VAR) approach (1-day, 99% VaR < 4.47%) to calculate and monitor overall risk exposure.

## 9. Classes of shares available for subscription

<b>Class of Shares</b>	<b>E (Early Bird)</b>	<b>M (Main)</b>	<b>A (Retail)</b>
<b>Reference currency</b>	EUR	EUR	EUR
<b>Minimum initial investment and minimum holding</b>	100,000	100,000	1000

<b>Minimum subsequent investment</b>	50,000	50,000	100
<b>Distribution policy</b>	capitalization	capitalization	capitalization
<b>Launch date</b>	01/02/2019	To be determined by the Board of Directors and as disclosed in the relevant KID	To be determined by the Board of Directors and as disclosed in the relevant KID

<b>Class of Shares</b>	<b>E (Early Bird) USD Hedged</b>	<b>M (Main) USD Hedged</b>	<b>A (Retail) USD Hedged</b>
<b>Reference currency</b>	USD	USD	USD
<b>Minimum initial investment and minimum holding</b>	100,000	100,000	1000
<b>Minimum subsequent investment</b>	50,000	50,000	100
<b>Distribution policy</b>	capitalization	capitalization	capitalization
<b>Launch date</b>	04/01/2019	To be determined by the Board of Directors and as disclosed in the relevant KID	To be determined by the Board of Directors and as disclosed in the relevant KID

Class E is the “early bird” Class of Shares and will only be available to all investors while the Net Asset Value of the Sub-Fund is less than 100 million Euros.

Class M is the main Class of Shares, and is available to all investors.

Class A is the retail Class of Share, as is available to all investors needing a lower minimum investment hurdle.

All Classes of Shares will be available in Euros, and Hedged Classes of Shares will also be available in U.S. Dollars.

## 10. Fees and expenses

The fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per share.

<b>Class of Shares</b>	<b>E (Early Bird)</b>	<b>M (Main)</b>	<b>A (Retail)</b>
<b>Management Fee on the Net Asset Value (no marginal tranches)</b>	Up to EUR 7 000 000: 0% Between EUR 7 000 000 and EUR 10 000 000: 0.30% Between EUR 10 000 000 and EUR 20 000 000: 0.70% Above EUR 20 000 000: 0.90%	1.5%	2%
<b>Subscription Fee</b>	0%	0%	Up to 3%
<b>Redemption Fee</b>	0%	0%	N/A

<b>Subscription Tax (taxe d'abonnement)</b>	0.05%	0.05%	0.05%
<b>Distribution Fee</b>	N/A	N/A	N/A
<b>Conversion Fee</b>	N/A	N/A	N/A
<b>Performance Fee</b>	15%	15%	20%

Each Class will incur an Investment Manager Fee and Performance Fee accrued on each Valuation Day and payable monthly for the Investment Manager Fee and yearly for the Performance Fee at the rate described above for each Class and will cover the fees and expenses related to trading and risk management on behalf of the Sub-Fund.

In addition to the above fees, each Class will incur additional operational fees and charges, accrued on each Valuation Day and payable at the rates agreed with each external provider ("**Operational Charges**"). The Operational Charges will cover, *inter alia*:

- The fees and charges payable to the Depositary Bank;
- The fees for fund administration services payable to the Administrative Agent and transfer agency fees for registrar and transfer agency services payable to the Registrar and Transfer Agent;
- The annual fees and expenses charged by the Luxembourg supervisory authority, the *Commission de Surveillance du Secteur Financier* ("**CSSF**");
- The other fees charged by the supervisory authorities in the countries in which the Sub-Fund is registered;
- The costs of preparing, printing and distributing all prospectuses, memoranda, reports and other necessary documents concerning the Sub-Fund;
- The audit fees;
- The directors' fees (if any); and
- The fees payable to the Management Company.

#### **11. Frequency of the Net Asset Value calculation and Valuation Day**

The Net Asset Value per share will be determined on each last Business Day of each week (the "**Valuation Day**").

The Net Asset Value per share will be calculated on the first Business Day of the following week with the close of business prices as of the Valuation Day (the "**Calculation Day**").

## 12. Subscriptions

### *a) Subscriptions during the Initial Offer Period*

The Initial Offering period will be determined by the Board of Directors and disclosed in the relevant KIDs (the "**Initial Offering Period**").

During the Initial Offer Period, subscriptions of shares in the Sub-Fund will be accepted at an initial subscription price of EUR 100 per share (the "**Initial Offering Price**").

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than the dealing cut-off time on the last day of the Initial Offer Period. The subscription money must be received on the account of the Sub-Fund at the latest 2 Business Days before the last day of the Initial Offer Period.

### *b) Subscriptions after the Initial Offer Period*

Shares will be issued at the Net asset Value per share determined as at the relevant Valuation Day. The Dealing Cut-Off Day is two Business Days prior to the Valuation Day ("**Business Cut-Off Day**").

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 2.00 p.m. Luxembourg time of the Dealing Cut-off Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than 2 Business Days before the relevant Valuation Day.

## 13. Redemptions

Shares will be redeemed at the Net Asset Value per share determined as at the relevant Valuation Day. The Dealing Cut-Off Day is two Business Days prior to the Valuation Day ("**Business Cut-Off Day**").

Applications must be received by the Registrar and Transfer Agent or by any appointed distributor no later than 2.00 p.m. Luxembourg time of the Dealing Cut-off Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for redeemed Shares has to be made no later than 3 Business Days after the relevant Valuation Day.

## 14. Conversions

Shares of the Sub-Fund may not be converted into Shares of any other Sub-Fund. Conversions from one Class of Shares of the Sub-Fund to another Class of Shares of the Sub-Fund are allowed, subject to compliance with applicable requirements as set out in section 9 of this Sub-Fund Particular.

## 15. Performance fee

Class E (Early Bird): 15% performance fee

Class M (Main): 15% performance fee

Class A (retail): 20% performance fee

The Investment Manager is entitled to receive a Performance Fee from the Company calculated on a Share by-Share basis on Share Classes only so that each Share is charged a Performance Fee which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Company, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

The performance reference period (the "Performance Reference Period") is equal to the life of the sub-fund. The outperformance will be applied to the Net Asset Value before payment of the performance fee, net of all costs, before provision for the Performance Fee and taking into account subscriptions and redemptions (the "Reference NAV").

The Performance Fee in respect of each Share will be calculated in respect of each fiscal year (a "Calculation Period"). The Performance Fee will be deemed to accrue as at each Valuation Date. The Calculation Period must last at least one calendar year.

For each Calculation Period, the Performance Fee in respect of each Share will be equal to the applicable percentage of the appreciation in the Net Asset Value per Share during that Calculation Period above the High WaterMark per Share (as defined below).

The performance fee will only be paid if the positive relative performance of the NAV per Share is above the High Watermark as further detailed below.

The Performance Fee will normally be payable to the Investment Manager in arrears within 20 calendar days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 20 calendar days after the date of redemption. In the event of a partial redemption, Shares will be treated as redeemed on a first in, first out ("fifo") basis or otherwise as requested by the investor.

Adjustments:

If an investor subscribes for Shares at a time when the Net Asset Value per Share of the relevant Class is other than the High WaterMark per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the investor or to the Investment Manager.

The High WaterMark per Share of a Class ("High WaterMark per Share") is the greater of (i) the price at which Shares were issued and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of the previous Calculation Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged.

- (A) If Shares are subscribed for at a time when the Net Asset Value per Share of the relevant Class is less than the High WaterMark per Share of that Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share of that Class at the date of subscription up to the High WaterMark per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at NAV such number of the

investor's Shares of that Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the applicable performance fee percentage of any such appreciation (a "Performance Fee Redemption"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. The Company will not be required to pay to the investor the redemption proceeds of the relevant Shares, being the aggregate NAV thereof. Performance Fee Redemptions are employed to ensure that the Company maintains a uniform Net Asset Value per Share of that Class. As regards the investor's remaining Shares, any appreciation in the Net Asset Value per Share of those Shares of the relevant Class above the High WaterMark per Share of that Class will be charged a Performance Fee in the normal manner described above.

- (B) If Shares are subscribed for at a time when the Net Asset Value per Share of the relevant Class is greater than the High WaterMark per Share of that Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to the applicable performance fee percentage of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the High WaterMark per Share of that Class (an "Equalisation Credit"). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Company (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders and serves as a credit against Performance Fees that might otherwise be payable by the Company but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Company and will therefore appreciate or depreciate based on the performance of the Shares of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Date in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount equal to the applicable performance fee percentage of the difference between the Net Asset Value per Share of that relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Date. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) exceeds the prior High WaterMark per Share of that Class, that portion of the Equalisation Credit equal to the applicable performance fee percentage of the excess for that share class, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Company after the original subscription for Shares was made, has been fully applied.



If the Shareholder redeems its Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

## Example of calculation of equalization method

Example scenario to be modelled - 3 investors enter the fund at different points in the year:

Investor	Investment Date	Investment amount	NAV/Share	Shares issued	Cum shares issued	Comment
1	01-janv	1 000 000	100	10000	10000,00	Launches the shareclass / Highwatermark (HWM) = 100
2	31-mars	1 000 000	99	10101,01	20101,01	
3	30-sept	1 000 000	101	9900,99	30002,00	

End of the incentive period - 31st Dec

**Equalised Method** - On subscription, investors receive equalisation credit or debit according to the relative performance of the shareclass at that point:

Date	Start GAV/Share	End GAV/Share	Performance/Share	Charge @ 20%	# shares	Baseline Perf fee to IM
31-déc	100	102	2	0,4	30002,00	12 000,80

Equalisation balances by investor

Investor	Investment Date	Investment amount	GAV	Shares	Eq (Dr)/Cr	Comment
1	01-janv	1 000 000	100	10000	0	
2	31-mars	1 000 000	99	10101,01	2 020,20	Equalisation Debit represents an additional amount the investor will have to pay when the shareclass crystallises a fee
3	30-sept	1 000 000	101	9900,99	1 980,20	Equalisation Credit represents an amount by which the investor will be compensated when the shareclass crystallises a fee

Effective payment for each investor - Equalisation balances come into effect when the class crystallises a performance fee

Investor	Shares	Fee rate/share	Base line fee	Eq (Dr)/Cr Adj	Effective fee	Comment
1	10000,00	0,4	4 000,00	0	4 000,00	Original investor pays full shareclass amount
2	10101,01	0,4	4 040,40	2 020,20	6 060,61	Investor 2 pays additional representing their holding increasing from 99 - 102, a gain of 3.03% which is higher than class level result
3	9900,99	0,4	3 960,40	1 980,20	1 980,20	Investor 3 pays less representing their holding increasing from 101 - 102, a gain of 0.99% which is lower than the class level result
	30002,00		12 000,80		12 040,80	

The equalisation balances work by adding or removing units from the investors holding.

Equalisation debits will result in a forced redemption of units to pay the IM the additional fee

Equalisation credits will result in additional units being allocated to the investor at the period end NAV, to the value of the credits used.

Unused equalisation credits or debits will roll over to the next period until such time as a crystallisation consumes them all.

## Example of calculation of performance fee

Performance fee (PF) rate = 20%	GAV/share (= NAV/share before accrual for the Performance Fee)	High Watermark (HWM)	NAV/share	Equalisation credit/share (EC) paid by the investor upon subscription	Comments
01/01/N (subscription 1)	100	100	100	0	Shares are subscribed at a time when the GAV/share is equal the HWM. The investor is not required to pay an EC as the PF accrued with respect to the other shares of the same class is null
31/03/N (subscription 2)	140	100	132	8	Shares are subscribed at a time when the GAV/share is greater than the HWM. The investor is required to pay an EC equal to the PF accrued with respect to the other shares of the same class.
30/06/N (subscription 3)	120	100	116	4	Shares are subscribed at a time when the GAV/share is greater than the HWM. The investor is required to pay an EC equal to the PF accrued with respect to the other shares of the same class.
30/09/N (subscription 4)	60	100	60	0	Shares are subscribed at a time when the GAV/share is greater than the HWM. The investor is required to pay an EC equal to the PF accrued with respect to the other shares of the same class (in this case this PF is null).

End of Year N	GAV = 90	HwM = 100	NAV = 108				
	EC paid by the investor upon subscription	EC carried forward to next Performance Reference Period (PRP)	EC reimbursed to the investor	PF/share above HwM	PF/share below HwM	Total PF/share paid to the Investment Manager	Comments
Subscription 1	0	0	0	0	0	0	As shares were subscribed when the GAV was equal to the HwM, the investor is only required to pay a Performance Fee equal to the PF accrued above the HwM.
Subscription 2	8	8	0	0	0	0	The GAV has decreased below the HwM. The part of the EC paid upon subscription and corresponding to the decrease of the GAV will be carried forward to the next PRP.
Subscription 3	4	4	0	0	0	0	The GAV has decreased below the HwM. The part of the EC paid upon subscription and corresponding to the decrease of the GAV will be carried forward to the next PRP.
Subscription 4	0	0	0	0	6	6	The GAV has increased since the subscription. The investor is required to pay a PF with respect to any subsequent appreciation from the subscription GAV until the current GAV.

End of Year N+1	GAV = 110	HwM = 100	NAV = 108				
	EC carried forward upon previous Performance Reference Period (PRP)	EC carried forward to next Performance Reference Period (PRP)	EC reimbursed to the investor	PF/share above HwM	PF/share below HwM	Total PF/share paid to the Investment Manager	Comments
Subscription 1	0	0	0	2	0	2	As shares were subscribed when the GAV was equal to the HwM, the investor is only required to pay a Performance Fee equal to the PF accrued above the HwM.
Subscription 2	8	6	2	2	0	0	The GAV has decreased since the initial subscription but is above the HwM. The part of the EC carried forward to this new PRP and corresponding to the new decrease of the GAV will be carried forward to the next PRP. The remaining EC is reimbursed to the investor and corresponds to the PF to be borne by existing investors and serves as a credit against PF payable by the Company which should not, in equity, be charged against this investor.
Subscription 3	4	2	2	2	0	0	The GAV has decreased since the initial subscription but is above the HwM. The part of the EC carried forward to this new PRP and corresponding to the new decrease of the GAV will be carried forward to the next PRP. The remaining EC is reimbursed to the investor and corresponds to the PF to be borne by existing investors and serves as a credit against PF payable by the Company which should not, in equity, be charged against this investor.
Subscription 4	0	0	0	2	2	4	The GAV has increased above the HwM since the previous PRP. The investor is required to pay the PF accrued above the HwM plus a PF with respect to any subsequent appreciation from the GAV of the previous PRP until the HwM. In this case PF related to the increase of the GAV from 60 to 90 has already been paid at the end of the previous PRP. The investor still has to pay a PF below the HwM from a GAV = 90.

End of Year N+2	GAV = 128	HwM = 108	NAV = 124				
	EC carried forward upon previous Performance Reference Period (PRP)	EC carried forward to next Performance Reference Period (PRP)	EC reimbursed to the investor	PF/share above HwM	PF/share below HwM	Total PF/share paid to the Investment Manager	Comments
Subscription 1	0	0	0	4	0	4	As shares were subscribed when the GAV was equal to the HwM, the investor is only required to pay a Performance Fee equal to the PF accrued above the HwM.
Subscription 2	6	2	4	4	0	0	The GAV has decreased since the initial subscription but is above the HwM. The part of the EC carried forward to this new PRP and corresponding to the new decrease of the GAV will be carried forward to the next PRP. The remaining EC is reimbursed to the investor and corresponds to the PF to be borne by existing investors and serves as a credit against PF payable by the Company which should not, in equity, be charged against this investor.
Subscription 3	2	0	2	4	0	2	The GAV has increased since the initial subscription. The part of the EC carried forward to this new PRP corresponds to the PF to be borne by existing investors and serves as a credit against PF payable by the Company which should not, in equity, be charged against this investor. This part of EC is reimbursed to the investor.
Subscription 4	0	0	0	4	0	4	All the PF above the HwM have already been paid to the Investment Manager. The investor is now only required to pay the PF accrued above the HwM.
End of Year N+3	GAV = 164	HwM = 124	NAV = 156				
	EC carried forward upon previous Performance Reference Period (PRP)	EC carried forward to next Performance Reference Period (PRP)	EC reimbursed to the investor	PF/share above HwM	PF/share below HwM	Total PF/share paid to the Investment Manager	Comments
Subscription 1	0	0	0	8	0	8	As shares were subscribed when the GAV was equal to the HwM, the investor is only required to pay a Performance Fee equal to the PF accrued above the HwM.
Subscription 2	2	2	4	8	0	4	The GAV has increased since the initial subscription. The remaining EC is reimbursed to the investor and corresponds to the PF to be borne by existing investors and serves as a credit against PF payable by the Company which should not, in equity, be charged against this investor.
Subscription 3	0	0	0	8	0	8	All the EC paid as a credit against PF have been reimbursed to the investor. The investor is now only required to pay the PF accrued above the HwM.
Subscription 4	0	0	0	8	0	8	All the PF above the HwM have already been paid to the Investment Manager. The investor is now only required to pay the PF accrued above the HwM.

## 16. Historical Performance

Information on the historical performance of the Sub-Fund, if available, is disclosed in the relevant Key Information Document.

## SUB-FUND PARTICULARS

### LUX MULTIMANAGER SICAV – Europe Equity Select

#### 1. Name of the Sub-Fund

LUX MULTIMANAGER SICAV – Europe Equity Select or LMM – Europe Equity Select (the “**Sub-Fund**”)

#### 2. Base Currency

Euro (“EUR”)

#### 3. Investment objective, policy and strategy, maximum level of leverage

##### Objectives

The Sub-Fund’s objective is to generate capital appreciation over time and outperform the main European markets (Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom).

It will aim to have a better absolute and risk adjusted return over 5 years compared to the stock markets.

There is no guarantee that the Sub-Fund’s investment objective will be achieved.

The Sub-Fund will loosely use Stoxx Europe 600 Net (SXXR) (EU0009658210) as benchmark.

However, the Sub-Fund does not try to replicate or even follow the index.

With regards to the use of benchmark, in accordance with article 28.2 of the Regulation (EU) 2016/1011, the Management Company has established and maintain robust written plans setting out the actions to take in the event that the benchmark materially changes or ceases to be provided. The rationale to disclose such a benchmark is for measuring the performance of the fund through and for the purpose of tracking the return of such index (performance comparison only). The Management Company identify such a benchmark as being non-significant, that is why in case of either (i) a material change or (ii) the cease of existence of the index, the Management Company is going to use an alternative benchmark, i.e. the MSCI Europe Total Return Index, which is strongly correlated with the STOXX 600 Europe.

**Index Composition:** The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

**Index Calculation:** Real time

## **Index Rebalancing: Quarterly**

Official Stoxx indices are calculated using:

- the official closing prices of the stock exchanges on which the securities making up the index are traded;
- WM Reuters exchange rates at market close (16:00 GMT).

More information on the index are available at [www.stoxx.com](http://www.stoxx.com).

## **Investment Strategy**

The Sub-Fund follows a well-diversified stock picking strategy based on algorithms.

Said algorithms allow for an investment process in 3 parts:

- The first identifies and rank the movement and momentum of the single stock in the universe.
- The ones with best scores are taken to the second screening where they are ranked by valuations.
- Then, the remaining sub-universe will be screened for company quality.

The remaining basket of shares will be the investible universe, normally consisting of 50-100 stocks.

The investment strategy is benchmark agnostic.

No SLBT agreements are currently used in the realisation of the investment policy.

No total return swaps or other assets with similar characteristics are purchased for the Sub-Fund.

In case of change, the prospectus will be amended accordingly.

## **Policy and Investment Guidelines**

The Sub-Fund will invest in equities, and Exchange Traded Funds (ETFs), domiciled in Europe. The Sub-Fund can also add standardised listed financial derivatives in order to reduce risk and or achieve investment targets. The Sub-Fund normally has the same FX risk as the underlying securities in the portfolio. However, the Sub-Fund may choose to hedge that FX risk from time to time with FX forwards. In exceptional circumstances the fund can place up to 35% in cash or cash-like instruments in order to reduce overall risk. Target investments will be market cap companies above 150m domiciled and listed in Europe.

## **Leverage**

No leverage will be applied, except in case of leverage linked to EPM techniques.

## **Collateral Management Policy**

- General:

In the context of SLBT financial derivative transactions and efficient portfolio management techniques, the Fund may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Management Company on behalf of the Fund in such case. All assets

received by the Fund in the context of efficient portfolio management techniques shall be considered as collateral for the purpose of this section.

- Eligible Collateral:

Collateral received by the Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF Circulars issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Sub-Fund's net asset value to any single issuer on an aggregate basis, taking into account all collateral received. By way of derogation, a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State of the EU, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, provided the Sub-Fund receives securities from at least six different issues and any single issue does not account for more than 30% of the Sub-Fund's net assets. Accordingly, a Sub-Fund may be fully collateralised in securities issued or guaranteed by an eligible OECD Member State.
- It should be capable of being fully enforced by the Management Company on behalf of the Fund at any time without reference to or approval from the counterparty.
- Level of Collateral

The Management Company will determine the required level of collateral for OTC financial derivatives transactions and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

- Haircut Policy

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")

- Haircut applicable to collateral received in respect of securities lending transactions

TYPE OF COLLATERAL	HAIRCUT APPLIED
Cash	0%
Government Bonds and T-Bills (less than 1-year maturity)	At least 0.5%
Government Bonds and T-Bills (more than 1-year maturity)	2%
Supranational bonds and municipal bonds	3%
Corporate bonds (less than 1-year maturity)	1%
Corporate bonds (1 to 10 years maturity)	3%
Corporate bonds (over 10 years)	4%
Equities	At least 20%

- Subject to the abovementioned conditions, collateral received by the Fund may consist of:
  1. Cash and cash equivalents, including short-term bank certificates and money market instruments;
  2. Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;
  3. Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
  4. Shares or units issued by UCITS investing mainly in bonds/shares mentioned below
  5. Bonds issued or guaranteed by first class issuers offering adequate liquidity
  6. Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.
- Non-cash collateral received by the Fund may not be sold, re-invested or pledged.
- Cash collateral received by the Fund can only be:
  1. placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
  2. invested in high-quality government bonds;
  3. used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or

4. invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out under the section "Eligible Collateral" above. The Sub-Fund concerned may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Management Company on behalf of the Fund to the counterparty at the conclusion of the transaction. The respective Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to such Sub-Fund.

#### **4. Investment Manager**

The Management Company will act as investment manager for the Sub-Fund (the "**Investment Manager**").

The Investment Manager will manage the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objectives and investment and borrowing restrictions of the Company and the Sub-Fund under the overall responsibility of the Board of Directors.

#### **5. Investment Adviser**

The Investment Manager has appointed **Neox Capital SA**, a private company limited by shares, incorporated under the laws of Luxembourg having its registered office at 2 Boulevard de la Foire, L-1528 Luxembourg (the "**Investment Adviser**") pursuant to an investment advisory agreement dated as of 14 October 2019 to provide investment advices to the Investment Manager.

#### **6. Profile of the typical investor**

The Sub-Fund is suitable for retail, high net worth individuals and institutional investors with sufficient knowledge of equity investments and risks.

The Sub-Fund is suitable for investors with an investment horizon of investment of 5 years and more.

The investor must be able to accept significant temporary losses. However, there can be no assurance that the investors recover the assets originally invested to the Sub-Fund as the value of the Sub-Fund may either increase or decrease.

**IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.**

#### **7. Specific Risk Factors**

Investment risk:



The investments within the investment portfolio will be subject to normal market fluctuations which translates directly into the price of the shares in the Sub-Fund. Investors should be aware of the risk factors present when investing in equity and the meaning thereof, for example (non-exhaustive):

- General risk of investing in equity
  - o Volatility
  - o Drawdown
- Risks of investing in foreign equity
  - o Currency specific effects and their correlation with equity effects
  - o Exposure on (foreign and domestic) central bank actions
- Model risk
  - o Risk of underperformance when for example using Target Funds with a momentum, value and/or low volatility etc. strategy.

Please refer to the general part of the prospectus for more information on the risks associated with an investment in the Sub-Fund.

## 8. Global Exposure

The method used to calculate overall exposure of the Sub-Fund is the commitment calculation method.

## 9. Classes of shares available for subscription

<b>Class of Shares</b>	<b>X (Early Bird)</b>	<b>I (Institutional)</b>	<b>A (Retail)</b>	<b>B (Retail)</b>	<b>C (Retail)</b>	<b>D (Distributing)</b>
<b>Reference currency</b>	EUR	EUR	EUR	SEK	NOK	EUR
<b>Minimum initial investment and minimum holding</b>	1,000,000	100,000	100	100	250,000	25,000
<b>Minimum subsequent investment</b>	10,000	10,000	100	100	50,000	5,000
<b>Distribution policy</b>	capitalization	capitalization	capitalization	capitalization	capitalization	distributing
<b>Launch date</b>	02/01/2020	20/04/2022	20/01/2020	24/03/2020	To be determined by the Board of Directors and as disclosed in the relevant KID	To be determined by the Board of Directors and as disclosed in the relevant KID

Class X is the “early bird” share class and will only be available to institutional and private investors while the net asset value of the sub-fund is less than EUR 30,000,000.00.

Class I is the institutional share class and is available to institutional investors.

Class A is a retail share class, as is available to all investors needing a lower minimum investment hurdle.

Class B is a retail share class in SEK, as is available to all investors needing a lower minimum investment hurdle.

Class C is a retail share class in NOK, as is available to all investors needing a lower minimum investment hurdle.

Class D is a distributing share class in EUR, as is available to all investors needing a yearly dividend.

## 10. Fees and expenses

The fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per share.

Class of Shares	<b>X (Early Bird)</b>	<b>I (Institutional)</b>	<b>A (Retail)</b>	<b>B (Retail)</b>	<b>C (Retail)</b>	<b>D (Distributing)</b>
<b>Management Fee*</b>	Up to 0,4% p.a.	Up to 0,6% p.a.	Up to 0,9% p.a.	Up to 0,9% p.a.	Up to 0,9% p.a.	Up to 0,7% p.a.
<b>Subscription Fee</b>	Up to 5%	Up to 5%	Up to 5%	Up to 5%	Up to 5%	Up to 5%
<b>Redemption Fee</b>	0%	0%	0%	0%	0%	0%
<b>Subscription Tax (taxe d'abonnement)</b>	0.05%	0.01%	0.05%	0.05%	0.05%	0,05%
<b>Distribution Fee</b>	Up to 1% p.a.	Up to 1% p.a.	Up to 1% p.a.	Up to 1% p.a.	Up to 1% p.a.	Up to 1% p.a.
<b>Conversion Fee</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Performance Fee</b>	8%	10%	15%	15%	15%	15%

\* The Management Fee will be paid by the Sub-Fund to the Management Company on a quarterly basis. This fee will include the Management Company Fee and the Investment Advisory Fee. The Investment Advisor Fee will be paid by the Management Company.

## 11. Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per share will be determined on each Business Day (the "**Valuation Day**"). The Net Asset Value per share will be calculated on the first Business Day following the Valuation Day with the close of business ("**COB**") prices as of the Valuation Day (the "**Calculation Day**").

## 12. Subscription

### *a) Subscriptions during the Initial Offer Period*

The Initial Offering period will be determined by the Board of Directors and disclosed in the relevant KIDs (the "**Initial Offering Period**").

During the Initial Offer Period, subscriptions of shares in the Sub-Fund will be accepted at an initial subscription price of EUR 100, SEK 100 or NOK 100 per share (the "**Initial Offering Price**") depending on the relevant Share Class.

Applications must be received by the Registrar and Transfer Agent no later than the dealing cut-off time on the last day of the Initial Offer Period. The subscription money must be received on the account of the Sub-Fund at the latest 2 Business Days after the last day of the Initial Offer Period.

*b) Subscriptions after the Initial Offer Period*

Shares will be issued at the Net Asset Value per share determined as at the relevant Valuation Day. The Dealing Cut-Off Day is two Business Days prior to the Valuation Day ("**Business Cut-Off Day**").

Applications must be received by the Registrar and Transfer Agent no later than 2.00 p.m. Luxembourg time on each Business Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than 2 Business Days after the relevant Valuation Day.

### **13. Redemptions**

Shares will be redeemed at the Net Asset Value per share determined as at the relevant Valuation Day. The Dealing Cut-Off Day is two Business Days prior to the Valuation Day ("**Business Cut-Off Day**").

Applications must be received by the Registrar and Transfer Agent no later than 2.00 p.m. Luxembourg time on each Business Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for redeemed Shares must be made no later than 3 Business Days after the relevant Valuation Day.

### **14. Conversions**

Shares of the Sub-Fund may not be converted into Shares of any other Sub-Fund. Conversions from one Class of Shares of the Sub-Fund to another Class of Shares of the Sub-Fund are allowed, subject to compliance with applicable requirements as set out in section 10 of this Sub-Fund Particular.

### **15. Performance fee**

The Management Company is entitled in respect of each Class to receive a performance fee (the "**Performance Fee**") calculated in relation to and accrued at each Valuation Day and payable at the end of each year (each a "**Calculation Period**"). The Calculation Period must last at least one calendar year. The Management Company shall pay the Investment Advisor out of the Performance Fee, in part as licensing fees for the use of their proprietary algorithm, which will be used in the ambit of the management of the assets of the Fund.

The performance reference period (the “**Performance Reference Period**”) is equal to the life of the sub-fund. The outperformance will be applied to the Net Assets Value before the payment of the Performance Fee, net of all costs, before provision for the Performance Fee.

A performance fee will only be paid if the Net Asset Value per Share of the relevant share class at the end of a Calculation Period is in excess of both the Reference NAV per Share and the High Watermark per Share, as further detailed below.

The Reference NAV is the Net Asset Value of the relevant Share Class as at the end of the last Calculation Period in respect of which a Performance Fee was paid (or if no Performance Fee has yet been paid, the initial Offer Price multiplied by the number of Shares issued in the Class at the end of the initial offer period) increased on each Dealing Day by the value of any subscriptions and reduced pro rata by the value of any redemptions on each Dealing Day and adjusted by the performance of the STOXX Europe 600 EUR benchmark (the “Benchmark”) over the course of the Calculation Period. Including new subscriptions in the Reference NAV prevents any artificial increase in the Performance Fee payable as a result of new subscriptions.

The Reference NAV per Share is the Reference NAV divided by the total number of outstanding Shares of the relevant Class on any given Valuation day.

The High Watermark per Share is the highest of (i) the price at which Shares were issued and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of the previous Calculation Period in respect of which a Performance Fee was charged.

The Performance Fee amount payable by a share class, if any, at the end of a Calculation Period will be equal to the share class Performance Fee rate multiplied by the Outperformance Amount, as defined below, multiplied by the number of outstanding shares of that share class at the end of a Calculation Period.

The Outperformance Amount at the end of a Calculation Period shall be determined as the lower of the following:

- (i) the % by which the Net Asset Value per Share exceeds the Reference NAV per Share multiplied by the Reference NAV per Share.
- (ii) the % by which the Net Asset Value per Share exceeds the High Watermark per Share multiplied by the High Watermark per Share.

For further details please refer to Example of calculation below.

For the purposes of calculating the NAV per Share on each Valuation Day, the Performance Fee will be calculated as if the Calculation Period ended on such Valuation Day and if a Performance Fee would be payable on this basis, an appropriate accrual will be included in the NAV per Share.

No Performance Fee will be charged in the case of outperforming the index, but having negative performance of the Class.

The principle of crystallization on redemptions will apply meaning that in the event Shares of a Class are redeemed during a Performance Reference Period, a performance fee will be payable equivalent to the Performance Fee accrued in calculating the NAV per Share at the time of redemption.

Class of Shares	Level of Performance Fee	Benchmark
Class X (Early Bird)	8 %	STOXX Europe 600 EUR (Net Return)
Class I (Inst)	10 %	STOXX Europe 600 EUR (Net Return)
Class A EUR (retail)	15 %	STOXX Europe 600 EUR (Net Return)
Class B (retail)	15 %	STOXX Europe 600 SEK (Net Return)
Class C NOK (retail)	15 %	STOXX Europe 600 NOK (Net Return)
Class D (distributing)	15 %	STOXX Europe 600 EUR (Net Return)

### Example of calculation:

Calculation Period (CP)	Reference Net Asset Value per Share ("RNAVPS")	High Water Mark per Share ("HWMPS")	Net Asset Value per Share (before PFPS) ("NAVPS")	Performance Fee per Share (PFPS)	RNAVPS at Start / End of CP	HWMPS at Start / End of CP	NAVPS (after PFPS) at Start / End of CP
CP # 1 Start	100.00	100.00	100.00	PFPS = 0	100.00	100.00	100.00
CP # 1 End	102.00	100.00	103.00	*PFPS = 0.10 The NAVPS exceeds both the RNAVPS and the HWMPS therefore the PFPS is the lower of (i) 10% x (NAVPS/RNAVPS-1) x RNAVPS = 0.10 (ii) 10% x (NAVPS/HWMPS-1) x HWMPS = 0.30	102.90	102.90	102.90
CP # 2 Start	102.90	102.90	102.90	PFPS = 0	102.90	102.90	102.90
CP # 2 End	99.00	102.90	101.00	PFPS = 0 The NAVPS exceeds the RNAVPS but does not exceed the HWMPS therefore there is no PFPS payable	99.00	102.90	101.00
CP # 3 Start	99.00	102.90	101.00	PFPS = 0	99.00	102.90	101.00
CP # 3 End	104.00	102.90	103.00	PFPS = 0 The NAVPS exceeds the HWMPS but does not exceed the RNAVPS therefore there is no PFPS payable	104.00	102.90	103.00
CP # 4 Start	104.00	102.90	103.00	PFPS = 0	104.00	102.90	103.00
CP # 4 End	102.00	102.90	104.00	*PFPS = 0.11 The NAVPS exceeds both the RNAVPS and HWMPS therefore the PFPS is the lower of (i) 10% x (NAVPS/RNAVPS-1) x RNAVPS = 0.20 (ii) 10% x (NAVPS/HWMPS-1) x HWMPS = 0.11	103.89	103.89	103.89

\*The Performance Fee per Share is based on the lower of (i)  $10\% \times (\text{NAVPS}/\text{RNAVPS}-1) \times \text{RNAVPS}$  and (ii)  $10\% \times (\text{NAVPS}/\text{HWMPS}-1) \times \text{HWMPS}$   
A performance Fee rate of 10% has been used in the above example

## 16. Historical Performance

Information on the historical performance of the Sub-Fund, if available, is disclosed in the relevant Key Information Document.

## **SUB-FUND PARTICULARS**

### **LUX MULTIMANAGER SICAV – Finserve Global Security Fund I**

#### **1. Name of the Sub-Fund**

LUX MULTIMANAGER SICAV – Finserve Global Security Fund I or LMM – Finserve Global Security Fund I (the “**Sub-Fund**”)

#### **2. Base Currency**

US Dollar (“USD”)

#### **3. Benchmark**

MSCI World TR USD Index (100%) or an equivalent benchmark (the “Benchmark”).

The MSCI World Index captures large and mid-cap representation across 23 developed markets countries as classified by MSCI Inc. The index covers approximately 85% of the free float-adjusted market capitalization in each country. More information, including the list of developed markets countries currently included in the Benchmark, can be found on <https://www.msci.com/world>

The Sub-Fund in itself does not aim to track the performance of the Benchmark. The Benchmark is provided for comparative purpose only and the performance of the Sub-Fund may substantially deviate from the Benchmark.

#### **4. Investment objective, strategy**

##### **Investment objective**

The Sub-Fund’s investment objective is to achieve appropriate income and the highest possible long-term value increase by investing within the defense and security sector (homeland and cyber security). The Sub-Fund will invest mainly in Securities of Companies without geographical restrictions with the exception of Russia and China and in accordance with the principle of risk diversification.

No guarantee can be given that the Sub-Fund’s objective will be reached.

##### **Investment strategy**

The policy and strategy used to pursue the investment objective is to invest mainly (at least 51%) in US/EU listed equities in security/defense sectors. Any company being considered as an investment must have a publicly available code of conduct and ethics that addresses legal responsibilities and ethics and that explicitly lists how it complies with international laws.

Only investments in companies complying with the Luxembourg Law of 4 June 2009 ratifying the Oslo Convention on Cluster Munitions and which are absent from the following International Sanctions lists are allowed: Target company/country must be absent from: UN Sanctions, EU Financial Sanctions, UK Financial Sanctions, US Consolidated Sanctions, Department of State, AECA Debarred List, Department of State, Non-Proliferation Sanctions, Switzerland Sanctions List.

The sub-fund adheres to a Policy Statement for target company screening and exposure to controversial investments with an indiscriminate and long-term humanitarian impact on society. International conventions/treaties ratified by NATO and OECD member nations determine the fund's policy.

The Sub-fund incorporates accountability standards used for monitoring countries as new directives are passed into international law and target companies must ensure compliance with screening criteria. The screening policy permits company analysis to proceed to the fundamental, technical and global intelligence stage.

The Sub-Fund maintains an exclusion list of companies that fail the screening process. Such companies are identified prior to sourcing international sanctions and publications of government and NGOs. This list is reviewed on each company and updated every 6 months.

A company placed on this list is prohibited from investment and disinvested, as soon as possible by prioritizing the interest of the investor, if placed on the list during the investment holding period. Divestments are requested within 90 days following the submission of the exclusion list updates and supporting documentation to the sub-fund.

No units of investment funds are acquired for the fund assets. The Sub-Fund is thus eligible as a target fund.

The Sub-Fund is only permitted to invest in assets defined as permissible as set out in the general part of the prospectus.

No securities lending or repurchase agreements are used in the realisation of the investment policy. No total return swaps or other assets with similar characteristics are purchased for the Sub-Fund.

The Sub-Fund may use derivatives, certificates with eligible embedded components which may also include derivative (discount, bonus, leverage, knock-out certificates, etc.) and other techniques and instruments for hedging and efficient portfolio management, for maturity or risk management of the portfolio or to generate income, i.e. for speculative purposes. In case such transactions relate to the use of derivatives, then the terms and limits must comply with the investment limits.

## **5. Investment Manager**

The Management Company will appoint as investment manager for the Sub-Fund **Finserve Nordic AB**, (the "**Investment Manager**") pursuant to an investment management agreement dated as of October 2020.

Finserve Nordic AB is an investment management company that has been incorporated in Sweden in 2006. The company is authorized and regulated by the Swedish supervisory authority Finansinspektionen and has its registered office at Riddargatan 30, 2tr, 114 57 Stockholm, Sweden. Finserve's focus areas are alternative credits, managed as AIF, and niche equity funds in the UCITS format. Finserve has 10 investment professionals and manages approx. 500 MEuro.

## **6. Profile of typical investor**

The Fund is particularly suitable for investors who accept high risks and who are seeking potential high returns in the long term. On the basis of the investment policy in conjunction with the investment objectives, the investor is prepared to accept high capital losses in the short term in accordance with the extent of value fluctuations of the investment in the Sub-Fund. The investor's investment horizon should be long-term.



The Management Company attempts to minimise the risks through the number and the distribution of the investments of the Sub-Fund assets.

The investor must be able to accept significant temporary losses. However, there can be no assurance that the investors recover the assets originally invested to the Sub-Fund as the value of the Sub-Fund may either increase or decrease.

**IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.**

## 7. Specific Risk Factors

Investment risk:

The investments within the investment portfolio will be subject to normal market fluctuations which translates directly into the price of the shares in the Sub-Fund. Investors should be aware of the risk factors present when investing in equity and the meaning thereof, for example (non-exhaustive):

- General risk of investing in equity (market risk)
  - o Volatility
  - o Drawdown
- Risks of investing in foreign equity (currency risk)
  - o Currency specific effects and their correlation with equity effects
- Political risk

## 8. Global Exposure

The method used to calculate overall exposure of the Sub-Fund is the commitment calculation method (in accordance with CESR Guidelines 10-788).

## 9. Classes of shares available for subscription

Class of Shares	S SEK	I SEK	R SEK	S EUR	I EUR	R EUR
ISIN	LU1822851371	LU1822851454	LU1822851538	LU1822851611	LU1822851702	LU1822851884
Reference currency	SEK	SEK	SEK	EUR	EUR	EUR
Minimum initial investment	SEK 100 Mio.	SEK 10 Mio.	None	EUR 10 Mio.	EUR 1 Mio.	None
Minimum Subsequent investment	SEK 100 Mio.	SEK 10 Mio.	None	EUR 10 Mio.	EUR 1 Mio.	None
Distribution policy	Accumulating	Accumulating	Accumulating	Accumulating	Accumulating	Accumulating
Launch date	21/02/2019	Not launched yet	22/02/2019	Not launched yet	Not launched yet	Not launched yet

Class S SEK is available to larger institutions;

Class I SEK is available to institutions and larger investors;  
Class R SEK is available to retail investors;  
Class S EUR is available to larger institutions;  
Class I EUR is available to institutions and larger investors;  
Class R EUR is available to retail investors.

## 10. Fees and expenses

Class of Shares	S SEK	I SEK	R SEK	S EUR	I EUR	R EUR
<b>ISIN</b>	LU1822851371	LU1822851454	LU1822851538	LU1822851611	LU1822851702	LU1822851884
<b>Investment Management fee</b>	Up to 0,60 %	Up to 0,75 %	Up to 1,60 %	Up to 0,60 %	Up to 0,75 %	Up to 1,60 %
<b>Management Company fee</b>	Up to 0,13% with a minimum annual fee of EUR 35.000 on sub-fund level	Up to 0,13% with a minimum annual fee of EUR 35.000 on sub-fund level	Up to 0,13% with a minimum annual fee of EUR 35.000 on sub-fund level	Up to 0,13% with a minimum annual fee of EUR 35.000 on sub-fund level	Up to 0,13% with a minimum annual fee of EUR 35.000 on sub-fund level	Up to 0,13% with a minimum annual fee of EUR 35.000 on sub-fund level
<b>Annual Total Expense Ratio “TER”</b> (including Investment Management fee/ Management Company fee and taxe d’abonnement)	Up to 1,25% including investment management and management company fee above.	Up to 1,40 % including investment management and management company fee above.	Up to 2,25% including investment management and management company fee above.	Up to 1,25% including investment management and management company fee above.	Up to 1,40 % including investment management and management company fee above.	Up to 2,25% including investment management and management company fee above.
<b>Subscription fee</b>	None	None	None	None	None	None
<b>Redemption fee</b>	None	None	None	None	None	None
<b>Subscription tax (taxe d’abonnement)</b>	included in the TER	included in the TER	included in the TER	included in the TER	included in the TER	included in the TER
<b>Distribution fee</b>	None	None	None	None	None	None
<b>Conversion fee</b>	None	None	None	None	None	None
<b>Performance fee</b>	None	None	None	None	None	None

The Management Company fee and Investment Management fee will be paid by the Sub-Fund on a quarterly basis.

## 11. Frequency of the Net Asset Value calculation and Valuation Day

The Net Asset Value per share is determined on each day that are simultaneously a bank working day and trading day in Luxembourg (the “Valuation Day”). The Net Asset Value is calculated and published on the first Business Day following the relevant Valuation Day excluding the 24 December of each year (the “NAV Calculation day”)

## 12. Subscriptions

*a) Subscriptions during the Initial Offering Period*

The Initial Offering period will be determined by the Board of Directors and disclosed in the relevant KIDs (the "**Initial Offering Period**").

During the Initial Offer Period, subscriptions of shares in the Sub-Fund will be accepted at an initial subscription price of SEK 100 or EUR 100 per share (the "**Initial Offering Price**") depending on the relevant Share Class.

Applications must be received by the Registrar and Transfer Agent no later than the dealing cut-off time on the last day of the Initial Offer Period. The subscription money must be received on the account of the Sub-Fund at the latest 2 Business Days after the last day of the Initial Offer Period.

*b) Subscriptions after the Initial Offering Period*

Shares will be issued at the Net Asset Value per share determined as at the relevant Valuation Day. The Dealing Cut-Off Day is one Business Day prior to the Valuation Day ("**Business Cut-Off Day**").

Applications must be received by the Registrar and Transfer Agent no later than 13.00 a.m. Luxembourg time on each Business Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than 2 Business Days after the relevant Valuation Day.

### **13. Redemptions**

Shares will be redeemed at the Net Asset Value per share determined as at the relevant Valuation Day. The Dealing Cut-Off Day is one Business Day prior to the Valuation Day ("**Business Cut-Off Day**").

Applications must be received by the Registrar and Transfer Agent no later than 13.00 a.m. Luxembourg time on each Business Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for redeemed Shares must be made no later than 3 Business Days after the relevant Valuation Day.

### **14. Conversion of Shares**

Shares of the Sub-Fund may not be converted into Shares of any other Sub-Fund. Conversions from one Class of Shares of the Sub-Fund to another Class of Shares of the Sub-Fund are allowed subject to compliance with applicable requirements as set out in section 6 of this Sub-Fund Particular.

### **15. Historical performance**

Information on the historical performance of the Sub-Fund, if available, is disclosed in the relevant Key Information Document.

## SUB-FUND PARTICULARS

### LUX MULTIMANAGER SICAV – Kuylenstierna & Skog Equities Fund

#### 1. Name of the Sub-Fund

LUX MULTIMANAGER SICAV – Kuylenstierna & Skog Equities Fund or LMM – Kuylenstierna & Skog Equities Fund (the “**Sub-Fund**”)

#### 2. Base Currency

SEK

#### 3. Investment objective, policy and strategy

##### Investment objective

The Sub-Fund’s investment objective is to provide long-term capital appreciation. The Sub-Fund will invest in a selected portfolio of equity securities of companies with a potential for high growth and high future profitability.

##### Investment Strategy

To achieve the investment objective, the Sub-Fund will mainly invest in listed equities and equity related securities without geographical restriction nor economic sector, a particular focus can be placed on the Nordic stock markets.

The Sub-Fund may also invest up to 15% of its assets in debt securities with a rating below investment grade (as measured by credit rating agencies commonly known in the market); in exceptional circumstances only and when market conditions so command, such limit may be exceeded but up to 40% of the sub-fund’s assets.

The Sub-Fund may on an ancillary basis invest up to 20% of its net assets in money market funds, money market instruments and deposits with credit institutions.

Furthermore, the Sub-Fund may invest its assets in other UCIs and up to 10% of its assets in warrants on Transferable Securities and subscription rights on Transferable Securities.

Within the investment limits of this Prospectus, the Investment Manager may use financial derivative techniques and instruments, traded on Regulated Markets or over-the-counter, for hedging purposes and on an ancillary basis for investment purposes. In particular, the sub-fund may use call or put options, futures and/or forward contracts on Transferable Securities, interest rates or indices and total return swaps whose underlying consists of instruments in which the sub-fund may invest according to its investment objective and policy and/or fixed income securities.

On an ancillary basis, the sub-fund may also invest up to 30% of its assets in small cap equity securities.

#### 4. Investment Manager

The Management Company has appointed Kuylenstierna & Skog S.A. as delegated Investment Manager pursuant to an investment management agreement.

**Kuylenstierna & Skog S.A.** was established in February 2000 as a limited liability company for purpose of various financial services including discretionary and advisory asset management services as well as guidance in family succession planning. The company is regulated by CSSF and CAA in Luxembourg and by the Swedish Financial Supervisory Authority (“Finansinspektionen”).

**Kuylenstierna & Skog S.A.** is incorporated under Luxembourg law and regulated by the Luxembourg Financial Supervisory Authority (Commission de Surveillance du Secteur Financier). Its registered office is at 74, Grand Rue, L-1660 Luxembourg, Grand Duchy of Luxembourg, has been appointed as Investment Manager of the Sub-Fund.

The Investment Manager will manage the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and investment and borrowing restrictions of the Company and the Sub-Fund under the overall responsibility of the Board of Directors.

## **5. Profile of the typical investor**

The Sub-Fund is suitable for retail investors for Class P and investors duly authorised by the Investment Manager for Class A.

This sub-fund is a medium to high-risk vehicle aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. The Sub-Fund is suitable for investors with an investment horizon of 5 years and more.

The investor must be able to accept significant temporary losses. However, there can be no assurance that the investors recover the assets originally invested to the Sub-Fund as the value of the Sub-Fund may either increase or decrease.

**IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.**

## **6. Specific Risk Factors**

Investment risk:

The investments within the investment portfolio will be subject to normal market fluctuations which translates directly into the price of the shares in the Sub-Fund. Investors should be aware of the risk factors present when investing in equity and the meaning thereof, for example (non-exhaustive):

- General risk of investing in equity
  - o Volatility
  - o Drawdown
- General risk of investing in bond
  - o Liquidity risk
- Risks of investing in foreign equity (currency risk)
  - o Currency specific effects and their correlation with equity effects
  - o Exposure on (foreign and domestic) central bank actions
- Model risk

- Risk of underperformance when for example using Target Funds with a momentum, value and/or low volatility etc. strategy.

Counterparty risk:

When a Target Funds' issuer defaults, this could result in the fund being non-tradeable. Awaiting the resolvment of the default the security can therefore not be sold. This might lead to temporary regional, and other, misallocation.

Please refer to the general part of the prospectus for more information on the risks associated with an investment in the Sub-Fund.

## 7. Global Exposure

The method used to calculate overall exposure of the Sub-Fund is the commitment calculation method (in accordance with CESR Guidelines 10-788).

## 8. Classes of shares available for subscription

Class of Shares	A	P	M
ISIN	LU1128908230	LU1128909048	
Reference currency	SEK	SEK	EUR
Minimum initial investment and subsequent investment	SEK 1	SEK 1	€ 100.-
Distribution policy	capitalization	capitalization	capitalization
Launch date	09/03/2015	09/03/2015	No launched yet

Class A is available to investors duly authorised by the Investment Manager.

Class P is available to retail investors.

Class M Shares may only be held by the Banque Internationale à Luxembourg. The Articles of Incorporation provide that Class M shareholders will be entitled to propose to the annual general shareholders' meeting or any other general shareholders' meeting of the Company which agenda includes a resolution relating to Directors' appointment, a list containing names of candidates for the position of Director. At any time, at least the majority of the Directors must have been appointed out of the list of candidates proposed by Class M shareholder holding the majority of the Class M Shares, subject to the receipt of the necessary corporate and regulatory approvals.

## 9. Fees and expenses

The fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per share.

Class of Shares	A	P	M*
<b>Management Company</b>	Up to 0,08%	Up to 0,08%	None
<b>Investment Management fee</b>	Up to 0,40%	Up to 1%	None
<b>Subscription Fee</b>	None	None	None
<b>Redemption Fee</b>	None	None	None
<b>Subscription Tax (taxe d'abonnement)</b>	0.05%	0.05%	0.01%
<b>Distribution Fee</b>	None	None	None
<b>Conversion Fee</b>	None	None	None

<b>Performance Fee</b>	None	None	None
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The Management Company fee and Investment Management fee will be paid by the Sub-fund on a quarterly basis.

\* All costs of Share Class M will be borne by its Shareholder.

## **10. Frequency of the Net Asset Value calculation and Valuation Day**

The Net Asset Value per share will be determined on each Business Day (the "**Valuation Day**"). The Net Asset Value per share is calculated and published on the first Business Day following the relevant Valuation Day excluding the 24 December of each year (the "**NAV Calculation Day**").

## **11. Subscriptions**

Shares will be issued at the Net Asset Value per share determined as at the relevant Valuation Day.

Applications must be received by the Registrar and Transfer Agent no later than 4.00 p.m. Luxembourg time on each Business Day (the "Valuation Day"). Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Shares will be issued at the Net Asset Value per share determined as at the relevant Valuation Day.

Payment for subscribed shares has to be made no later than 3 Business Days after the relevant Valuation Day.

The Board of Directors, in its discretion, can modify the Minimum Initial Subscription Amount and/or Minimum Subsequent Subscription Amount at any time. The Fund may issue further Classes of Shares that may be denominated in different currencies.

## **12. Redemptions**

Applications must be received by the Registrar and Transfer Agent no later than 4.00 p.m. Luxembourg time on each Business Day (the "Valuation Day"). Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Shares will be redeemed at the Net Asset Value per share determined as at the relevant Valuation Day.

Payment for redeemed Shares must be made no later than 3 Business Days after the relevant Valuation Day.

When there is insufficient liquidity in the sub-fund due to exceptional circumstances, the Board of Directors of the Fund reserves the right to postpone the payment of redemption orders until the sale of corresponding assets has been made without delay.

## **13. Conversions**

Shares of the Sub-Fund may not be converted into Shares of any other Sub-Fund. Conversions from one Class of Shares of the Sub-Fund to another Class of Shares of the Sub-Fund are allowed, subject to compliance with applicable requirements as set out in section 5 of this Sub-Fund Particular.

#### **14. Historical Performance**

Information on the historical performance of the Sub-Fund, if available, is disclosed in the relevant Key Information Document.



## **SUB-FUND PARTICULARS**

### **LUX MULTIMANAGER SICAV – Kavaljer Quality Focus**

#### **1. Name of the Sub-Fund**

LUX MULTIMANAGER SICAV – Kavaljer Quality Focus or LMM – Kavaljer Quality Focus (the “Sub-Fund”)

#### **2. Base Currency**

SEK

#### **3. Investment objective, policy and strategy**

##### **Investment objective**

The Sub-Fund is actively managed and seeks to provide long-term capital growth via stock selection focused on quality companies, with a Swedish perspective.

##### **Investment Strategy**

The Sub-fund seeks to create long term capital growth via stock selection focused on quality companies, using fundamental analysis.

Quality companies the fund seeks are characterized by, among other things, rising sales and profit over time, a reasonably stable and high operating margin, experienced and competent board and CEO with a long-term view and a goal to create shareholder value, and an understandable business model.

To achieve the investment objective, the Sub-Fund will mainly invest, minimum 70% of its assets, in equities and equity related instruments.

Swedish equities mean equity instruments issued by an entity domiciled in Sweden and/or whose equity instruments are traded on a regulated market domiciled in Sweden.

The Sub-Fund may also invest up to 20% of its assets in equities or equity related instruments issued by companies domiciled in the Nordic region (i.e. Finland, Norway, Denmark and Iceland) and that are traded on a Regulated Market.

The Investment Manager may consider interesting investment opportunities outside of the Nordic region for a maximum weight of 10% of its assets.

The Sub-Fund may also invest up to 30% of its Total Net Assets in money market instruments and money market funds.

##### **Management process**

The choice of investment objectives is based on a fundamental analysis with a bottom-up approach, without sector limitations.

The Management Company identifies and analyses sustainability risk (i.e. an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment) as part of its risk management process.

The Investment Manager integrates financially material sustainability risks and opportunities into its research, analysis and investment decision-making processes. The Investment Manager believes that the consideration of these risks and opportunities can help to enhance long-term risk adjusted returns for investors

The Sub-Fund however does not promote environmental or social characteristics, and does not have as objective sustainable investment (as provided by articles 8 or 9 of SFDR). The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Investment Manager considers, in addition to economic and financial aspects, the integration within the investment decision process of ESG factors, based on an internal methodology.

Further information on the Investment Manager's ESG/sustainability policy is available upon request or at the Investment Manager's website - <http://www.kavaljer.se>

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance information and data from third parties, which may be incomplete, inaccurate or unavailable.

The Investment Manager is convinced that ESG factors affect the companies' future development opportunities.

#### **4. Investment Manager**

The Management Company has appointed **Kavaljer AB** as delegated Investment Manager pursuant to an investment management agreement.

**Kavaljer AB** was established in January 2001 as a limited company with the purpose to provide discretionary portfolio management services. The company is incorporated under Swedish law and regulated by the Swedish Financial Supervisory Authority ("Finansinspektionen").

**Kavaljer AB** registered office is Cyindervägen 12, 131 52 Nacka Strand, Sweden Sweden and has been appointed as Investment Manager of the Sub-Fund.

The Investment Manager will manage the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and investment and borrowing restrictions of the Company and the Sub-Fund under the overall responsibility of the Board of Directors.

#### **5. Profile of the typical investor**

The Sub-Fund is suitable for retail investors for Class A and institutional investors for Class I that have a long-term investment horizon.

This Sub-Fund is a high-risk vehicle aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short term losses. The Sub-Fund is suitable for investors with an investment horizon of 5 years and more.

The investor must be able to accept significant temporary losses. However, there can be no assurance that the investors recover the assets originally invested to the Sub-Fund as the value of the Sub-Fund may either increase or decrease.

**IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.**

## 6. Specific Risk Factors

### Investment risk:

The investments within the investment portfolio will be subject to normal market fluctuations which translates directly into the price of the shares in the Sub-Fund. Investors should be aware of the risk factors present when investing in equity and the meaning thereof, for example (non-exhaustive):

- General risk of investing in equity
  - o Volatility
  - o Drawdown
  - o Long Equity Exposure
- Risks of investing in foreign equity (currency risk)
  - o Currency specific effects and their correlation with equity effects
  - o Exposure on (foreign and domestic) central bank actions
- Model risk
  - o Risk of underperformance when for example using Target Funds with a momentum, value and/or low volatility etc. strategy.

### Counterparty risk:

When a Target Funds' issuer defaults, this could result in the fund being non-tradeable. Awaiting the resolvment of the default the security can therefore not be sold. This might lead to temporary regional, and other, misallocation.

Please refer to the general part of the prospectus for more information on the risks associated with an investment in the Sub-Fund.

## 7. Global Exposure

The method used to calculate overall exposure of the Sub-Fund is the commitment calculation method (in accordance with CESR Guidelines 10-788).

## 8. Classes of shares available for subscription

Class of Shares	A	I
ISIN	LU1232457504	LU1232457686
Reference currency	SEK	SEK
Minimum initial subscription amount	SEK 100	SEK 5 000 000
Minimum subsequent subscription amount	SEK 100	SEK 100
Distribution policy	capitalization	capitalization
Launch date		

Class A is available to all type of investors.

Class I is available to institutional investors only.

## 9. Fees and expenses

The fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per share.

Class of Shares	A	I
Management Company	Up to 0,08%	Up to 0,08%

<b>Investment Management fee</b>	up to 1,5%	Up to 1,0%
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The Management Company fee and Investment Management fee will be paid by the Sub-Fund on a quarterly basis.

## **10. Frequency of the Net Asset Value calculation and Valuation Day**

The Net Asset Value per share will be determined on each Bank Business Day in Luxembourg and Sweden excluding the 24 December and 31 December of each year and Days when the Swedish stock exchange closes earlier than normal, as defined by Nasdaq Stockholm Aktiebolag (the "**Valuation Day**"). The Net Asset Value per share is calculated and published on the first Business Day following the relevant Valuation Day excluding the 24 December and 31 December of each year and Days when the Swedish stock exchange closes earlier than normal, as defined by Nasdaq Stockholm Aktiebolag (the "**NAV Calculation Day**").

## **11. Subscriptions**

Shares will be issued at the Net Asset Value per share determined as at the relevant Valuation Day. Applications must be received by the Registrar and Transfer Agent no later than 4.00 p.m. Luxembourg time on each Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than 3 Business Days after the relevant Valuation Day.

The Board of Directors, in its discretion, can modify the Minimum Initial Subscription Amount and/or Minimum Subsequent Subscription Amount at any time. The Fund may issue further Classes of Shares that may be denominated in different currencies.

## **12. Redemptions**

Applications must be received by the Registrar and Transfer Agent no later than 4.00 p.m. Luxembourg time on each Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Shares will be redeemed at the Net Asset Value per share determined as at the relevant Valuation Day. Payment for redeemed Shares must be made no later than 5 Business Days after the relevant Valuation Day.

When there is insufficient liquidity in the Sub-Fund due to exceptional circumstances, the Board of Directors of the Fund reserves the right to postpone the payment of redemption orders until the sale of corresponding assets has been made without delay.

## **13. Conversions**

Shares of the Sub-Fund may not be converted into Shares of any other Sub-Fund. Conversions from one Class of Shares of the Sub-Fund to another Class of Shares of the Sub-Fund are allowed, subject to compliance with applicable requirements as set out in section 5 of this Sub-Fund Particular.

## **14. Historical Performance**

Information on the historical performance of the Sub-Fund, if available, is disclosed in the relevant Key Information Document.

## **SUB-FUND PARTICULARS**

### **LUX MULTIMANAGER SICAV – Kavaljer Investmentbolagsfond**

#### **1. Name of the Sub-Fund**

LUX MULTIMANAGER SICAV – Kavaljer Investmentbolagsfond or LMM – Kavaljer Investmentbolagsfond (the “**Sub-Fund**”)

#### **2. Base Currency**

SEK

#### **3. Investment objective, policy and strategy**

##### **Investment objective**

The Sub Fund is actively managed and seeks to create long term capital growth via stock selection focused on investment companies, conglomerates and "serial acquirers", with a global perspective.

##### **Investment Strategy**

The Sub-Fund seeks to create long term capital growth via stock selection focused on investment companies, conglomerates and "serial acquirers", using fundamental analysis. Investment companies invests in both listed and unlisted companies. Conglomerates are companies that mainly invest in unlisted companies in various industries. “Serial acquirers” are companies that continuously acquire other companies at a high rate. Common to these three categories is that they provide good risk diversification and active management at low costs. The Sub-Fund’s investments will be of a buy and hold character which also contributes to low costs.

To achieve its investment objective, the Sub-Fund will mainly invest its assets, minimum 70% of its assets, in a portfolio of equities and Equity Related Instruments listed on developed, regulated markets. Though the investments will not be limited geographically, a particular focus will be placed on the Swedish and US markets.

The Sub-Fund may not invest more than 10% of its assets in units of other UCITS and/or eligible UCIs.

The Sub-Fund may also invest up to 30% of its Total Net Assets in money market instruments and money market funds.

##### **Management process**

The Management Company identifies and analyses sustainability risk (i.e. an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment) as part of its risk management process.

The Investment Manager integrates financially material sustainability risks and opportunities into its research, analysis and investment decision-making processes. The Investment Manager believes that the consideration of these risks and opportunities can help to enhance long-term risk adjusted returns for investors

The Sub-Fund however does not promote environmental or social characteristics, and does not have as objective sustainable investment (as provided by articles 8 or 9 of SFDR). The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic

activities.

The Investment Manager considers, in addition to economic and financial aspects, the integration within the investment decision process of ESG factors, based on an internal methodology.

Further information on the Investment Manager's ESG/sustainability policy is available upon request or at the Investment Manager's website - <http://www.kavaljer.se>

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a Sub-Fund's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance information and data from third parties, which may be incomplete, inaccurate or unavailable.

The Investment Manager is convinced that ESG factors affect the companies' future development opportunities.

#### **4. Investment Manager**

The Management Company has appointed **Kavaljer AB** as delegated Investment Manager pursuant to an investment management agreement.

**Kavaljer AB** was established in January 2001 as a limited company with the purpose to provide discretionary portfolio management services. The company is incorporated under Swedish law and regulated by the Swedish Financial Supervisory Authority ("Finansinspektionen").

**Kavaljer AB** registered office is Cylandervägen 12, 131 52 Nacka Strand, Sweden, and has been appointed as Investment Manager of the Sub-Fund.

The Investment Manager will manage the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and investment and borrowing restrictions of the Company and the Sub-Fund under the overall responsibility of the Board of Directors.

#### **5. Profile of the typical investor**

The Sub-Fund is suitable for retail investors for Class A and institutional investors for Class I and F that have a long-term investment horizon.

This Sub-Fund is a high risk vehicle aiming to provide capital growth. It may be suitable for investors who are more concerned with maximising long-term returns than minimising possible short-term losses. The Sub-Fund is suitable for investors with an investment horizon of 5 years and more.

The investor must be able to accept significant temporary losses. However, there can be no assurance that the investors recover the assets originally invested to the Sub-Fund as the value of the Sub-Fund may either increase or decrease.

**IT MUST BE EMPHASISED, THAT THE PORTFOLIO OF THE SUB-FUND WILL BE SUBJECT TO NORMAL MARKET RISKS AND NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES OF THE SUB-FUND WILL BE ACHIEVED.**

#### **6. Specific Risk Factors**

Investment risk:

The investments within the investment portfolio will be subject to normal market fluctuations which translates directly into the price of the shares in the Sub-Fund. Investors should be aware of the risk factors present when investing in equity and the meaning thereof, for example (non-exhaustive):

- General risk of investing in equity
  - o Volatility
  - o Drawdown

- Long Equity Exposure
- 
- Risks of investing in foreign equity (currency risk)
  - Currency specific effects and their correlation with equity effects
  - Exposure on (foreign and domestic) central bank actions
- Model risk
  - Risk of underperformance when for example using Target Funds with a momentum, value and/or low volatility etc. strategy.

Please refer to the general part of the prospectus for more information on the risks associated with an investment in the Sub-Fund.

## 7. Global Exposure

The method used to calculate overall exposure of the Sub-Fund is the commitment calculation method (in accordance with CESR Guidelines 10-788).

## 8. Classes of shares available for subscription

Class of Shares	A
ISIN	LU1777968246
Reference currency	SEK
Initial Price	SEK 100
Minimum initial subscription amount	SEK 100
Minimum subsequent subscription amount	SEK 100
Distribution policy	capitalization
Launch date	

Class A is available to all type of investors.

## 9. Fees and expenses

The fees detailed in the table below shall be calculated as a percentage of the applicable Net Asset Value per share.

<b>Class of Shares</b>	A
<b>Management Company</b>	Up to 0,08%
<b>Investment Management fee</b>	Up to 0,3%
<b>Subscription Fee</b>	None
<b>Redemption Fee</b>	None
<b>Subscription Tax (taxe d'abonnement)</b>	0,05%
<b>Distribution Fee</b>	None
<b>Conversion Fee</b>	None
<b>Performance Fee</b>	None

The Management Company fee and Investment Management fee will be paid by the Sub-Fund on a quarterly basis.

## **10. Frequency of the Net Asset Value calculation and Valuation Day**

The Net Asset Value per share will be determined on each Bank Business Day in Luxembourg and Sweden excluding the 24 December and 31 December of each year and Days when the Swedish stock exchange closes earlier than normal, as defined by Nasdaq Stockholm Aktiebolag (the "**Valuation Day**"). The Net Asset Value per share is calculated and published on the first Business Day following the relevant Valuation Day excluding the 24 December and 31 December of each year and Days when the Swedish stock exchange closes earlier than normal, as defined by Nasdaq Stockholm Aktiebolag (the "**NAV Calculation Day**").

## **11. Subscriptions**

Shares will be issued at the Net Asset Value per share determined as at the relevant Valuation Day. Applications must be received by the Registrar and Transfer Agent no later than 4.00 p.m. Luxembourg time on each Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Payment for subscribed shares has to be made no later than 3 Business Days after the relevant Valuation Day.

The Board of Directors, in its discretion, can modify the Minimum Initial Subscription Amount and/or Minimum Subsequent Subscription Amount at any time. The Fund may issue further Classes of Shares that may be denominated in different currencies.

## **12. Redemptions**

Applications must be received by the Registrar and Transfer Agent no later than 4.00 p.m. Luxembourg time on each Valuation Day. Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

Shares will be redeemed at the Net Asset Value per share determined as at the relevant Valuation Day. Payment for redeemed Shares must be made no later than 5 Business Days after the relevant Valuation Day.

When there is insufficient liquidity in the Sub-Fund due to exceptional circumstances, the Board of Directors of the Fund reserves the right to postpone the payment of redemption orders until the sale of corresponding assets has been made without delay.

## **13. Conversions**

Shares of the Sub-Fund may not be converted into Shares of any other Sub-Fund. Conversions from one Class of Shares of the Sub-Fund to another Class of Shares of the Sub-Fund are allowed, subject to compliance with applicable requirements as set out in section 5 of this Sub-Fund Particular.

## **14. Historical Performance**

Information on the historical performance of the Sub-Fund, if available, is disclosed in the relevant Key Information Document.