VISA 2020/160091-3553-0-PC
L'apposition du visa ne peut en aucun cas servir d'argument de publicité
Luxembourg, le 2020-07-02
Commission de Surveillance du Secteur Financier

SIFTER

PROSPECTUS

June 2020

Société d'investissement à Capital Variable
Organized under the laws of Luxembourg

IMPORTANT INFORMATION

SIFTER FUND (the **Fund**) is registered as a collective investment undertaking in transferable securities according to Part I of the Luxembourg law of 17 December 2010 on "undertakings for collective investments". Such registration does not however imply approval or disapproval on the part of a Luxembourg authority regarding the adequacy or exactness of this Prospectus or of the securities portfolio held by the Fund.

Subscriptions are accepted on the basis of the Prospectus, the relevant KIIDs and of the latest audited annual or semi-annual accounts (if published after the latest annual accounts) of the Fund.

Copies of the Articles, the Prospectus, the KIIDs and the latest annual report and the most recent semi-annual report are available at the registered office of the Fund.

No person is authorised to give any information about the Fund other than those contained in this Prospectus or in the documents mentioned in this Prospectus and which can be consulted by the public.

The Board of Directors assumes responsibility for the exactness of the information contained in this Prospectus as of its date of issue.

Any information or statement not contained in this Prospectus or in the reports which form an integral part of this Prospectus are to be considered as unauthorised and therefore untrustworthy. Neither the distribution of this Prospectus, nor the offering, issuing or selling of Shares in the Fund guarantee that the information given in this Prospectus may continue to be exact at any subsequent date to the date of this Prospectus. In order to take into account major changes, notably in the case of the addition of further Sub-Funds, this Prospectus will be updated when appropriate. Potential applicants are therefore advised to inform themselves at the Fund of any later Prospectus that may have been published.

The Shares have not been and will not be registered under the Investment Company Act of 1940, or the securities laws of any of the States of the United States, nor is such registration contemplated.

The Shares may neither be directly offered, sold or delivered in the United States or to or for the account or benefit of any "US person", nor indirectly except through a Participating or Reporting Foreign Financial Institution within the meaning of FATCA.

Notwithstanding the foregoing, the Shares may however be offered, sold or otherwise transferred to or held by or through Exempt Beneficial Owners, Active Non-Financial Foreign Entities, US Persons (within the meaning of FATCA) that are not Specified US Person or Financial Institutions that are not Nonparticipating Financial Institutions, as each defined by the intergovernmental agreement concluded between Luxembourg and the United States of America on 28 March 2014 for the purposes of FATCA (the "IGA" and the "FATCA Eligible Investors").

Applicants may be required to declare that they are not U.S. Persons and are not applying for Shares on behalf of any U.S. Person. It is recommended that investors obtain information on the laws and regulations (in particular, those relating to fiscal policy and currency controls) applicable in their Country of origin, of residence or of domicile as regards an investment in the Fund and that they consult their own financial adviser, solicitor or accountant on any issue relating to the contents of this prospectus.

The Fund is not registered in any provincial or territorial jurisdiction in Canada and Shares of the Fund have not been qualified for sale in any Canadian jurisdiction under applicable securities laws. The Shares made available under this offer may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof. Prospective Investors may be required to declare that they are not a Canadian resident and are not applying for Shares on behalf of any

Canadian residents. If an Investor becomes a Canadian resident after purchasing Shares of the Fund, the Investor will not be able to purchase any additional Shares of the Fund.

Prospective applicants for and purchasers of Shares in the Fund are advised to read this Prospectus and the relevant KIIDs carefully in their entirety and to inform themselves personally about the possible legal or fiscal consequences or about any foreign exchange restriction or regulations they may encounter in their country of origin, residence or domicile following the application, purchase, redemption, conversion or transfer of Shares in the Fund.

Upon request, prospective applicants may obtain free of charge a copy of this Prospectus, the relevant KIIDs, the annual and semi-annual financial reports of the Fund and the Articles. Prospective applicants should be provided with a Key Investor Information Document (**KIID**) for each Class of Shares in which they wish to invest, prior to each subscription, in compliance with applicable laws and regulations. These documents are available at the registered office of the Fund. The KIIDs are also available at www.sifterfund.com.

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 Fund, acting as data controller (the "Data Controller") processes personal data in the context of the investments in the Fund. The term "processing" in this section has the meaning ascribed to it in the Data Protection Laws.

1. 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 Fund'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 Fund (hereinafter referred to as the "**Personal Data**") may be processed by the Data Controller.

2. 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 Fund, 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 Fund 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 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 reporting and/or tax consequences for the investor;

c) For the purposes of the legitimate interests pursued by the Fund

This includes the processing of Personal Data for risk management and for fraud prevention purposes, improvement of the Fund's services, disclosure of Personal Data to Processors (as defined below) for the purpose of effecting the processing on the Fund's behalf. The Fund 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 Fund 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 Fund to accept the investment in the Fund and/or to perform investor-related services, or ultimately in termination of the contractual relationship with the investor.

3. DISCLOSURE OF PERSONAL DATA TO THIRD PARTIES

The Personal Data may be transferred by the Fund, 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 Auditor, other entities directly or indirectly affiliated with the Fund and any other third parties who process the Personal Data for providing their services to the Fund, 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 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 Fund.

4. 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 Fund's data protection officer at the following address: legal@adepa.com.

In addition to the rights listed above, should a Data Subject consider that the Fund 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.

5. 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 Fund, 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 Fund, 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 Fund, 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 Fund, 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.

6. 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).

7. 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 Fund, the Management Company, the Depositary Bank, the Registrar and Transfer Agent, and/or any other agent of the Fund may be recorded in accordance with applicable laws and regulations. These recordings are kept during a period of seven (7) 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 Fund, the Management Company, the Depositary Bank, the Registrar and Transfer Agent and/or any other agent of the Fund 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.

By subscribing to the Shares, each investor consents to such processing of its personal data.

NOTICES TO SHAREHOLDER

Notices to shareholder will be published in newspapers and in the Luxembourg Mémorial, only when such way of publication is mandatory required under the provisions of the Luxembourg Law of 1915 or other applicable laws and regulations.

All other notices to shareholders, will be mailed, by registered mail to the shareholders registered in the Fund`s register.

On this web site you can also obtain free of any charges the most up to date version of the Prospectus as well as actual version of the KIIDs of the Sub-Funds registered for public distribution in different distribution countries.

Investors in the Fund are therefore explicitly invited by the Board of the Fund to regularly check the Management Company`s web site in order to be kept informed on any changes of the Fund and of its Sub-Funds, which are not legally required to be published in newspapers and Luxembourg Mémorial.

IMPORTANT NOTICE FOR INVESTORS IN SWITZERLAND

The State of the origin of the Fund is Luxembourg.

1. Representative

The representative in Switzerland is
Oligo Swiss Fund Services SA,
Av. Villamont 17,
1005 Lausanne,
Switzerland

2. Paying agent

The paying agent in Switzerland is
Banque Cantonale de Genève
Case Postale 2251
1211 Genève 2

3. Place where the relevant documents may be obtained

The relevant documents as defined in Art. 13a CISO as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

4. Payment of retrocessions and rebates

The investment fund respectively the fund management company and its agent may pay retrocessions as remuneration for distribution activity in respect of the investment fund units in or from Switzerland.

This remuneration may be deemed payment for the following services in particular:

- Distribution activity;
- Client introduction activity;
- Private Placement & Marketing Activities;

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the investment fund of the investor concerned.

In the case of distribution activity in or from Switzerland, the investment fund respectively the fund management company and its agents, may upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investors in question.

Rebates are permitted provided that:

- they are paid from fees received by the investment fund respectively the fund management company and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the investment fund respectively the fund management company are as follows:

- the volume subscribed by the investor or the total volume they hold in the investment fund or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;

- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of the investment fund.

At the request of the investor, the investment fund respectively the fund management company must disclose the amounts of such rebates free of charge.

5. Publications

The Net Asset Value of the Shares of each Sub-Fund, together with an indication "commissions excluded" will be published daily on www.fundinfo.com. Publications in Switzerland in respect of the Fund or the Sub-Funds, in particular the publication of changes to the Articles and the Prospectus, shall be made on www.fundinfo.com.

6. Place of performance and jurisdiction

In respect of the shares distributed in Switzerland, the competent Courts shall be at the registered office of the Representative in Switzerland.

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DESCRIPTION OF THE AVAILABLE SUB-FUNDS

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Sub-Fund 1 – SIFTER FUND - Global

- Unless otherwise indicated in the tables below, each Sub-Fund of SIFTER FUND is subject to the general regulations as set out in Section II of this Prospectus.

ORGANISATION

BOARD OF DIRECTORS

Chairman

Mr. Hannes G. Kulvik
Independent Director
Eaton Square 72
SW1W9 AS London
United Kingdom

Directors

Mrs. Elisabeth Anna Backes
Adepa Asset Management S.A.
6A rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

Mr. Pauli Kulvik
Independent Director
Helmet Capital Oy
Fredrikinkatu 48 A,
11th floor
00100 HELSINKI
FINLAND

Mr. Luc Caytan
Independent Director
1 rue des Foyers,
L-1537 Luxembourg
Grand Duchy of Luxembourg

Mr. Jussi Kärävä
Independent Director
Mechelininkatu 32B as 2
00260 HELSINKI
FINLAND

REGISTERED OFFICE

6A rue Gabriel Lippmann
L-5365 Munsbach,
Grand Duchy of Luxembourg

MANAGEMENT COMPANY, PORTFOLIO MANAGEMENT, DOMICILIATION AND ADMINISTRATIVE AGENT

ADEPA ASSET MANAGEMENT S.A.
6A rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

INVESTMENT ADVISOR

Sifter Capital OY
Kasarmikatu 14 A 3,
00130 Helsinki,
Finland

Board of Directors of the Management Company

Carlos Alberto Morales López, CEO

ADEPA Asset Management S.A., 6A, rue Gabriel Lippmann, L -5365 Munsbach, Grand Duchy of Luxembourg

Jean-Noël Lequeue, Director

ADEPA Asset Management S.A., 6A, rue Gabriel Lippmann, L -5365 Munsbach, Grand Duchy of Luxembourg

Philippe Beckers, Director

ADEPA Asset Management S.A., 6A, rue Gabriel Lippmann, L -5365 Munsbach, Grand Duchy of Luxembourg

Elisabeth Anna Backes, Managing Director

ADEPA Asset Management S.A., 6A, rue Gabriel Lippmann, L -5365 Munsbach, Grand Duchy of Luxembourg

REGISTRAR AND TRANSFER AGENT

European Fund Administration S.A.,
2, rue d'Alsace
L-1122 Luxembourg
Grand Duchy of Luxembourg

DEPOSITARY BANK AND PAYING AGENT

Quintet Private Bank (Europe) S.A. 43, Boulevard Royal,
L - 2955 Luxembourg
Grand Duchy of Luxembourg

INDEPENDENT AUDITOR

Ernst & Young
7 rue Gabriel Lippmann
L-5365 Luxembourg
Grand Duchy of Luxembourg

DEFINITIONS

Unless otherwise stated or required by the context, the following capitalised terms have the meaning ascribed to them below:

2010 Law	means the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time.
Articles	means the articles of incorporation of the Fund as amended from time to time.
Board of Directors or Board	means the board of directors of the Fund.
Business Day	means a day other than a Saturday or a Sunday on which banks are open for business in Luxembourg.
Class of Shares	means a class of Shares with a specific fee structure, currency or other specific features.
Commitment Approach	means an approach for measuring risk or "Global Exposure" that factors in the market risk of the investments held in a UCITS sub-fund, including risk associated with any financial derivatives instruments held by converting the financial derivatives into equivalent positions in the underlying assets of those derivatives (sometimes referred to as "notional exposure"), after netting and hedging arrangements where the market value of underlying security positions may be offset by other commitments related to the same underlying positions. Global Exposure using the Commitment Approach is expressed as an absolute percentage of total net assets. Under Luxembourg Law, Global Exposure related solely to financial derivatives may not exceed 100% of total net assets, and Global Exposure overall (including market risk associated with the sub-funds' underlying investments, which by definition make up 100% of total net assets) may not exceed 200% of total net assets (excluding the 10% that a UCITS may borrow on a temporary basis for short-term liquidity)
CSSF	means the *Commission de Surveillance du Secteur Financier*.
EUR	means the lawful currency of participating members of the European Monetary Union.
Expected Level of Leverage	Funds which measure Global Exposure using a Value-at-Risk (VaR) approach disclose their Expected Level of Leverage. The Expected Level of Leverage is not a regulatory limit and should be used for indicative purposes only. The level of leverage in the Fund may be higher or lower than this expected level at any time as long as the Fund remains in line with its risk profile and complies with its relative VaR limit. The annual report will provide the actual level of leverage over the past period and additional explanations on this

	figure. The leverage is a measure of the aggregate derivative usage and therefore does not take into account other physical assets directly held in the portfolio of the relevant Funds. The Expected Level of Leverage is measured as the Sum of Notionals.
Financial Year	means the financial year of the Fund, which starts on 1 September of each year and ends on 31 August of the following year.
FATCA	means Foreign Account Tax Compliance Act
FINRA	means Financial Industry Regulatory Authority
FFI	a Foreign Financial Institution as defined in FATCA
Investment Advisor	means SIFTER CAPITAL OY
KIID	means the key investor information document in respect of each Class of Shares within the meaning of article 159 of the Law of 17 December 2010
Management Company	means ADEPA ASSET MANAGEMENT S.A.
Member State	means a member state of the European Union. The States that are contracting parties to the agreement creating the European Economic Area, other than the member States of the European Union, within the limits set forth by this agreement and related acts, are considered as equivalent to members states of the European Union.
Mémorial	means the Mémorial C, Recueil des Sociétés et Associations.
Net Asset Value or **NAV**	means the value per Share of any Class of Shares determined in accordance with the relevant provisions described under "Net Asset Value".
OECD	Organisation for Economic Cooperation and Development
Other State	means any State of Europe which is not a Member State, any State of America, Africa, Asia, Australia and Oceania.
Placement Agent	means SIFTER CAPITAL OY
Reference Currency	means the currency in which the Net Asset Value of each Sub-Fund or Class of Shares is denominated.
Registrar and Transfer Agent	means European Fund Administration S.A. or EFA
Regulated Market	means a regulated market in the meaning of directive 2014/65/EU of 15 May 2014 on markets in financial instruments
Share	means a share of no par value in any Class of Shares in the capital of the Fund.
Shareholder	means a holder of Shares.

Sub-Fund	means a separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of Shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund.
SFTR	Means the EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse of 25 November 2015 and CSSF Circulars CSSF 08/356, CSSF 11/512 CSSF 14/592. ("**SFTR**").
SFTs	Means securities financing transactions
TRS	Means total return swap as further determined below
UCI or other UCIs	means Undertaking for Collective Investment within the meaning of Article 1, paragraph (2), point a) and b) of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended
UCITS	means Undertaking for Collective Investment in Transferable Securities authorised according to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended
USA or US	means the United States of America
Value-at-Risk (VaR) Approach	means an approach for measuring risk or "Global Exposure" based on Value-at-Risk or VaR, which is a measure of the maximum potential loss that can arise at a given confidence level over a specific time period under normal market conditions. VaR may be expressed in absolute terms as a currency amount specific to a portfolio, or as a percentage when the currency amount is divided by total net assets. VaR may also be expressed in relative terms, where the VaR of the Fund (expressed in percentage terms) is divided by the VaR of its relevant benchmark (also expressed in percentage terms), generating a ratio known as relative VaR. Under Luxembourg Law absolute VaR limits are currently 20% of total net assets and relative VaR limits are currently twice or 200% of the benchmark VaR
Valuation Day	means the day as of which the NAV per Share of any Class/Category of the Fund is calculated, as more fully described in the Sub-Fund Specifications

Words importing the singular shall, where the context permits, include the plural and vice versa.

PART I – FUND'S CHARACTERISTICS

1. KEY FEATURES

SIFTER FUND is a variable capital investment company constituted in accordance with the legislation of the 2010 Law. It was incorporated on 21 May 2003 for an unlimited period with an initial capital of EUR 32,000.- divided into 320 Shares of the "SIFTER FUND Global" Sub-Fund. The Articles were filed with the *Registre de Commerce et des Sociétés* of Luxembourg.

The capital of the Fund is represented by Shares of no par value and shall at any time be equal to the total net assets of the Fund.

The Fund is registered with the Luxembourg Register of Commerce and Companies under the number B 93438. The Articles provide that all liabilities, whatever Sub-Fund they are attributable to, shall, unless otherwise agreed upon with the creditors or unless otherwise provided by law from time to time, only be binding upon the relevant Sub-Fund.

The Articles were amended for the last time by notarial deed at an extraordinary general meeting held on 12 August 2019. The consolidated version of the Articles currently in force is in process of registration with the *Registre de Commerce et des Sociétés* of Luxembourg.

The objectives of the Fund are to offer its shareholders the possibility of investing in an investment vehicle oriented towards the growth of capital through investments in securities and money market instruments.

The Board of Directors may at any time and in compliance with the Articles issue additional Sub-Funds and/or Classes of Shares, whose investment aims may differ from those of already existing Sub-Funds and/or Classes of Shares.

The Fund is one single legal entity. However, with regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for the liabilities attributable to it. The debts, engagements and obligations which are not attributable to one Sub-Fund have to be considered for all Sub-Funds on a pro-rata basis. The Fund shall maintain for each Sub-Fund a separate portfolio of assets. Between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

Upon creation of new Sub-Funds, the Prospectus will be adjusted to provide detailed information concerning the new Sub-Funds. The historical performance of the individual Sub-Funds is outlined in the Key Investor Information Document relating to the Sub-Funds / Classes of Shares. Historical performance is not an indication of future performance.

As an "open" ended investment company, the Fund may issue, redeem and convert its Shares at a price based on the respective net values of those Shares.

2. MANAGEMENT AND ADMINISTRATION

2.1. BOARD OF DIRECTORS

The appointed Directors of the Fund are:

1. Hannes G. KULVIK (Chairman)
2. Elisabeth Anna Backes (Director)
3. Pauli KULVUK (Director)
4. Luc CAYTAN (Director)
5. Jussi Kärävä (Director)

The Board of Directors of the Fund is responsible for the management and supervision and for the determination of the Fund's investment policies. It will review the operations of the Fund and of the Management Company.

2.2. MANAGEMENT COMPANY

The Board of Directors has appointed ADEPA ASSET MANAGEMENT S.A. as the Management Company of the Fund pursuant to an agreement with effective date 1 September 2019 (the **Management Company Services Agreement**). The Management Company is responsible on a day-to-day basis, under the supervision of the Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds.

The Management Company may from time to time delegate all or some of the services it provides in respect of all Sub-Funds to one or more service providers. In case of such delegation, the Management Company shall supervise the activities of the service providers on a permanent basis.

The Management Company was incorporated as a "*société anonyme*" under the laws of the Grand Duchy of Luxembourg on 9 March 2006 and its articles of incorporation were published in the Mémorial on 15 March 2006. The Management Company is approved as management company regulated by chapter 15 of the 2010 Law and complying with the CSSF Circular 18/698.

The Management Company shall ensure, amongst others, compliance of the Fund with the investment restrictions and the investment policy set forth in this Prospectus and the Articles.

The Management Company shall provide reports to the Board of Directors on a quarterly basis and inform each Board member without delay of any breach to the investment restrictions.

Remuneration policy of the Management Company

The Management Company has in place a remuneration policy which is consistent with, and promotes, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles of the sub-funds, the Prospectus and the Articles of Incorporation nor impair compliance with the Management Company's duty to act in the best interest of the Fund and of its Shareholders.

The remuneration policy of the Management Company is in line with the business strategy, objectives, values and interests of the Management Company and of the other UCITS that it manages and of the interest of the Fund, and includes measures to avoid conflicts of interest.

The assessment of performance is set in a multiyear framework appropriate to the holding period recommended to the investors of the UCITS managed by the Management Company in order to ensure that the assessment process is based on the longer team performance of the Fund and its investment risks and that the actual payment of performance based components of remuneration is spread over the same period.

Due to the Management Company`s remuneration policy it is ensured the fixed and variable components of total remuneration are appropriately balanced and the fixed remuneration component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable components, including the possibility to pay no variable remuneration component.

The remuneration policy of the Management Company has been adopted by the board of directors of the Management Company and is reviewed at least annually.

Details of 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 any), are available on:

http://www.adepa.com/third-party-fund-management-company/regulatory-section/A paper copy of such document is available free of charge from the Management Company upon request.

The Management Company has not further delegated the investment management function and performs since the 1 September 2019 the investment management function of the Fund without any further delegation.

The Management Company, with the consent of the Board, may appoint investment advisor(s).

The Investment Advisor will assist the Management Company in connection with the investments and reinvestments of the relevant Sub-Funds. In that respect, the investment advisor will act in a purely advisory capacity

2.3. CONFLICTS OF INTEREST

The Management Company may from time to time act as management company or investment manager for other investment funds/clients and may act in other capacities in respect of such other investment funds or clients. It is therefore possible that the Management Company may, in the course of its business, have potential conflicts of interest with the interest of the Fund. The Board of Directors and/or the Management Company will (in the event that any conflict of interest actually arises) endeavour to ensure that such conflict is resolved fairly and in the best interest of the Fund.

The Fund may also invest in other investment funds which are managed by the Management Company or any of its affiliated entities. The directors of the Management Company may also be directors of investment funds and the interest of such investment funds and of the Fund could result in conflicts of interests. Generally, there may be conflicts between the best interests of the Fund and the interests of affiliates of the Management Company in connection with the fees, commissions and other revenues derived from the Fund or investment funds. In the event where such a conflict arises, the directors of the Management Company will endeavour to ensure that it is resolved in a fair manner and in the best interests of the Fund.

3. DEPOSITARY BANK

The Fund has appointed Quintet Private Bank (Europe) S.A. ("Quintet") as Depositary of the assets of the Fund.

The Depositary is a bank organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg for an unlimited duration. Its registered office is at 43, Boulevard Royal, L-2955 Luxembourg. At 31st December 2018, its capital and reserves amounted at EUR 1,160,027,788.

As Depositary, Quintet will carry out its functions and responsibilities in accordance with the provisions of the 2010 Law. The Depositary will, in accordance with the 2010 Law:

(a) ensure that the sale, issue, repurchase, redemption and cancellation of shares of the Fund are carried out in accordance with the applicable Luxembourg law and the Articles;
(b) ensure that the value of the shares of the Fund is calculated in accordance with the applicable Luxembourg law and the Articles;
(c) carry out the instructions of the Fund, unless they conflict with the applicable Luxembourg law, or with the Articles;
(d) ensure that in transactions involving the assets of the Fund any consideration is remitted to the Fund within the usual time limits;
(e) ensure that the income of the Fund is applied in accordance with the applicable Luxembourg law and the Articles.

The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, investors upon the subscription of shares of the Fund have been received, and that all cash of the Fund has been booked in cash accounts that are:

(a) opened in the name of the Fund or of the Depositary acting on behalf of the Fund;
(b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC of 10 August 2006 implementing the Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (the Directive 2006/73/EC); and
(c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

The assets of the Fund shall be entrusted to the Depositary for safekeeping as follows:

(a) for financial instruments that may be held in custody, the Depositary shall:

I. hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
II. ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times;

(b) for other assets, the Depositary shall:

I. verify the ownership by the Fund of such assets by assessing whether the Fund holds the ownership based on information or documents provided by the Fund and, where available, on external evidence;
II. maintain a record of those assets for which it is satisfied that the Fund holds the ownership and keep that record up to date.

The assets held in custody by the Depositary may not be reused unless specific circumstances, as provided for in the 2010 Law.

In order to effectively conduct its duties, the Depositary may delegate to third parties the functions referred to in the above paragraph, provided that the conditions set out in the 2010 Law are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the 2010 Law and with the relevant CSSF regulations, to ensure that it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection.

The list of such delegates is available on

https://www.quintet.com/Group_Luxembourg/media/documents/Regulatory%20Affairs/subcustodians2019.pdf

and is made available to investors free of charge upon request.

Conflicts of interest:

In carrying out its duties and obligations as depositary of the Fund, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Fund and its investors.

As a multi-service bank, the Depositary may provide the Fund, directly or indirectly, through parties related or unrelated to the Depositary, with a wide range of banking services in addition to the depositary services.

The provision of additional banking services and/or the links between the Depositary and key service providers to the Fund, may lead to potential conflicts of interests with the Depositary's duties and obligations to the Fund.

In order to identify different types of conflict of interest and the main sources of potential conflicts of interests, the Depositary shall take into account, at the very least, situations in which the Depositary, one of its employees or an individual associated with it is involved and any entity and employee over which it has direct or indirect control.

The Depositary is responsible for taking all reasonable steps to avoid those conflicts of interest, or if not possible, to mitigate them. Where, despite the aforementioned circumstances, a conflict of interest arises at the level of the Depositary, the Depositary will at all times have regard to its duties and obligations under the depositary agreement with the Fund and act accordingly. If, despite all measures taken, a conflict of interest that bears the risk to significantly and adversely affect the Fund or the investors of the Fund, may not be solved by the Depositary having regard to its duties and obligations under the depositary agreement with the Fund, the Depositary will notify the conflicts of interests and/or its source to the Fund which shall take appropriate action. Furthermore the Depositary shall maintain and operate effective organizational and administrative arrangements with a view to take all reasonable steps designed to properly (i) avoid them prejudicing the interests of its clients, (ii) manage and resolve such conflicts according to the Fund decision and (iii) monitor them.

As the financial landscape and the organizational scheme of the Fund may evolve over time, the nature and scope of possible conflicts of interests as well as the circumstances under which conflicts of interests may arise at the level of the Depositary may also evolve.

In case the organizational scheme of the Fund or the scope of Depositary's services to the Fund is subject to a material change, such change will be submitted to the Depositary's internal acceptance committee for assessment and approval. The Depositary's internal acceptance committee will assess, among others, the impact of such change on the nature and scope of possible conflicts of interests with the Depositary's duties and obligations to the Fund and assess appropriate mitigation actions.

Situations which could cause a conflict of interest have been identified as at the date of this Prospectus as follows (in case new conflicts of interests are identified, the list will be updated accordingly):

- Conflicts of interests between the Depositary and the Sub-Custodian:

  The selection and monitoring process of Sub-Custodians is handled in accordance with the 2010 Law and is functionally and hierarchically separated from possible other business relationships that exceed the sub-custody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that none of the Sub-Custodians used by the Depositary for the custody of the Fund's financial instruments is part of the Quintet Group.

- The Depositary has a significant shareholder stake in European Fund Administration S.A. ("EFA") and some members of the staff of the Depositary are members of EFA's board of directors.

  The staff members of the Depositary in EFA's board of directors do not interfere in the day-to-day management of EFA which rests with EFA's management board and staff. EFA, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.

- The Depositary may act as depositary to other UCITS funds and may provide additional banking services beyond the depositary services and/or act as counterparty of the Fund for over-the-counter derivative transactions (maybe over services within Quintet).

  The Depositary will do its utmost to perform its services with objectivity and to treat all its clients fairly, in accordance with its best execution policy.

  The Depositary shall be liable to the Fund and its investors for the loss by the Depositary or a third party with whom the custody of financial instruments are held in custody in accordance with the 2010 Law. The Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

  For other assets, the Depositary shall be liable only in case of negligence, intentional failure to properly fulfil its obligations.

  The Depositary shall not be liable for the contents of this Prospectus and will not be liable for any insufficient, misleading or unfair information contained herein.

  In consideration for its services as Depositary, Quintet will receive a yearly fee of 0,05% payable monthly in arrears of the Net Asset Value of each Sub-Fund.

A supplementary yearly Depositary Control Fee of 0.005% of the Net Asset Value will apply, with a minimum of EUR 2,500 per year per Sub-Fund.

In addition, the Depositary is entitled to be reimbursed by the Fund its reasonable out-of-pocket expenses and the fees charged to it by any correspondent bank or other agent (including any clearing system).

The Depositary Agreement may be terminated by either party on giving to the other party a notice in writing specifying the date of termination which will not be less than ninety (90) days after giving such notice. The Fund will use its best efforts to appoint a new depositary and obtain the approval of the CSSF within a reasonable time upon notice of termination, being understood that such appointment shall happen within two months. The Depositary will continue to fulfil its obligations until completion of the transfer of the relevant assets to another depositary appointed by the Fund and approved by the CSSF.

Pursuant to a paying agency agreement, Quintet also acts as Paying Agent. As principal paying agent Quintet will be responsible for distributing income and dividends, if applicable, to the shareholders.

4. REGISTRAR AND TRANSFER AGENT

EFA has been appointed as registrar and transfer agent by the Fund under a registrar and transfer agency agreement with effective date on 1 September 2019.

The aforesaid agreement was concluded for an indeterminate period of time and may be terminated by either party giving the other party ninety (90) days' notice.

5. INVESTMENT OBJECTIVES AND POLICY

The exclusive objective of the Fund is to place the funds available to it in transferable securities and other permitted assets of any kind, including financial derivative instruments, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios.

Each Sub-Fund is managed in accordance with its investment policy considering the investment restrictions (refer to Clause 8 “*Investment Restrictions*”) and using investment techniques and instruments (refer to Clause 9 “*Techniques and Instruments*”).

The specific investment objective and policy of each Sub-Fund is described in Part II.

WARNING

As the portfolio of each Sub-Fund is subject to market fluctuations and to the risks inherent to any investment, Share prices may vary as a result and the Fund cannot give any guarantee that its objectives will be achieved.

Unless otherwise specified in Part II, each Sub-Fund may for hedging and/or efficient portfolio management purposes, also expose itself to such assets through the use of derivative instruments within the limits set forth in Clause 8 "*Investment Restrictions*" and employ techniques and instruments relating to transferable securities and money market instruments as more fully described in Clause 9 “*Techniques and Financial Instruments*”.

6. RISK FACTORS

6.1. INVESTING IN EQUITY SECURITIES

All equity and equity related securities may fluctuate in value due to economic, political, market, and issuer specific developments. Such developments may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these developments. Such fluctuations are often exacerbated in the short-term as well. The risk that the value of one or more securities in the Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

6.2. INVESTMENT IN WARRANTS

It should be noted that the inherent volatility of warrants should not be overlooked and will directly affect the net assets of the Sub-Funds concerned. The reason is that, although the use of warrants may generate higher profits than when investing in conventional shares, it may also lead to heavy losses made worse by leverage.

6.3. INVESTMENT IN FIXED INCOME SECURITIES

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be difficult to buy and sell securities at an optimum time.

The volume of transactions effected in certain European bond markets may be appreciably below that of the world's largest markets, such as the United States of America. Accordingly, Sub-Fund's investments in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

6.4. INVESTMENT IN FINANCIAL DERIVATIVE INSTRUMENTS

6.4.1. Credit Default Swaps

Credit default swap transactions may entail particular risks.

When these transactions are used in order to eliminate a credit risk in respect of the issuer of a security, they imply that the Sub-Fund bears a counterparty risk in respect of the protection seller.

This risk is, however, mitigated by the fact that the Sub-Fund will only enter into credit default swap transactions with highly rated financial institutions.

Credit default swaps may present a risk of liquidity if the position must be liquidated before its maturity for any reason. The Sub-Fund will mitigate this risk by limiting in an appropriate manner the use of this type of transaction.

Finally, the valuation of credit default swaps may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

6.4.2. Futures and Options

The Sub-Fund may use options and futures on securities, indices and interest rates in order to achieve investment goals. Also, where appropriate, the Sub-Fund may hedge market and currency risks using futures, options or forward foreign exchange or currency contracts. The Sub-Fund must comply with the limits set out in Clause 8 "*Investment Restrictions*".

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

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

6.4.3. Particular Risks of OTC Derivative Transactions

Absence of regulation; counterparty default and lack of liquidity

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which forward and option contracts, credit default swaps, total return swaps and certain options on currencies and other derivative instruments are generally traded) than of transactions entered into on organised stock exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, the Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties which the Fund believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties.

In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at an attractive price.

Furthermore, for Sub-Funds whose policy allows for the investment in securities rated lower than BBB- (Standard & Poors), investors are warned that these securities are below investment grade and carry more risk, including greater price volatility and a higher default risk on the repayment of principal and the payment of interest than for higher grade securities. Moreover, certain unlisted or undervalued fixed income securities are highly speculative and entail considerable risk, and may be disputed when principal and interest payments fall due. Securities with a rating below BBB- (Standard & Poors), or comparable unlisted securities, are considered speculative and may be disputed when principal and interest payments fall due.

For some Sub-Funds, potential investors are made aware of the fact that portfolios, which can invest in funds from developing countries, may be subject to a higher degree of risk than for those in developed countries. The economies and markets of these countries are traditionally more volatile and the respective currencies suffer from significant fluctuations.

Apart from the inherent risk for any securities investment, investors must be conscious of the political risks, and changes in currency controls and tax regimes, which can directly affect the value and liquidity of these portfolios.

Risk Considerations applicable to the use of derivatives

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. Investment in derivatives may add volatility to the performance of the Sub-Funds and involve peculiar financial risks.

The following is a summary of the risk factors and issues concerning the use of derivatives instruments (FDI) that investors should understand before investing in the Fund.

Market Risk

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to the Fund's interests.

Control and Monitoring

Derivative products are highly specialized instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities.

The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Company and the ability to forecast the relative price, interest rate or currency rate movements correctly.

Legal risk

There may be a risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

There may be a risk from uncertainty due to legal actions or uncertainty in the applicability or interpretation of contracts, laws or regulations.

The use of Over the Counter (OTC) derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Sub-Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

The terms of Over the Counter Financial Derivative Instrument (OTC FDI are generally established through negotiation between the parties thereto.

While therefore more flexible, OTC FDI may involve greater legal risk than exchange-traded instruments, which are standardized as to the underlying instrument, expiration date, contract size and strike price, as there may be a risk of loss if the OTC FDI are deemed not to be legally enforceable or are not documented correctly. There may also be a legal or documentation risk that the parties to the OTC FDI may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead the Fund to decide not to pursue its claims under the OTC FDI. A Fund thus assumes the risk that it may be

unable to obtain payments owed to it under OTC arrangements, and that those payments may be delayed or made only after the Fund has incurred the costs of litigation. Further, legal, tax and regulatory changes could occur which may adversely affect a Fund. The regulatory and tax environment for FDI is evolving, and changes in the regulation or taxation of FDI may adversely affect the value of such instruments held by the Fund and the Fund's ability to pursue its trading strategies.

Risk linked to the reuse of collateral or any guarantee granted under any leveraging arrangement

Investors should take explicitly into account the risk of reuse of collateral or and any guarantee granted under any leveraging arrangement.

Liquidity Risk

Liquidity risk exists when a particular instrument is difficult to purchase or sell. 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 (however, the Fund will only enter into OTC derivatives if it is allowed to liquidate such transactions at any time at fair value).

Counterparty Risk

The Fund may enter into transactions in OTC markets, and the Sub-Funds may incur losses through their commitments vis-à-vis a counterparty on the techniques described above, in particular its swaps, TRS ("TRS"), forwards, in the event of the counterparty's default or its inability to fulfil its contractual obligations. This will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realize any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

Securities Lending, Repurchase Agreements and Reverse Repurchase Transactions

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honor its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favor of the Sub-Fund.

However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralized.

Fees and returns due to the Sub-Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralized. In addition, the value of collateral may decline between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the respective Sub-Fund. A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The 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 the Sub-Fund.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

The Fund may enter into securities lending, repurchase or reverse repurchase transactions with other companies. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Fund in a commercially reasonable manner. In addition, the Management Company will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the respective Sub-Fund and its Shareholders. However, Shareholders should be aware that the Management Company may face conflicts between its role and its own interests or that of affiliated counterparties.

Operational & Custody Risk:

Operational risk is the risk of contract on financial markets, the risk of back office operations, custody of securities, as well as administrative problems that could cause a loss to the sub funds. This risk could also result from omissions and inefficient securities processing procedures, computer systems or human errors.

Risk of relating to the use of Total Return Swaps

Because it does not involve physically holding the securities, synthetic replication through total return (or unfunded swaps) and fully-funded swaps can provide a means to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. Synthetic replication therefore involves lower costs than physical replication.

Synthetic replication however involves counterparty risk. If the Sub-fund engages in OTC Derivatives, there is the risk – beyond the general counterparty risk – that the counterparty may default or not be able to meet its obligations in full.

Where the Fund and any of its Sub-funds enters into TRSs on a net basis, the two payment streams are netted out, with Fund or each Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments. Total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to TRSs is limited to the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments. If the other party to a TRS defaults, in normal circumstances the Fund’s or relevant Sub-fund's risk of loss consists of the net amount of total return payments that the Fund or Sub-Fund is contractually entitled to receive.

7. INVESTMENT RESTRICTIONS

The Board of Directors shall, based upon the principle of spreading of risks, have the power to determine the investment policy and the reference currency of each Sub-Fund.

The investment policy of each Sub-Fund shall comply with the rules and restrictions laid down hereafter.

7.1. ELIGIBLE ASSETS

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 which operates regularly and is recognised 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 or dealt in on another market in a non-Member State which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been foreseen in the Articles of the Fund;

d) recently issued transferable securities and money market instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another Regulated Market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market has been foreseen in the Articles of the Fund;

- such admission is secured within one year of issue.

e) units/shares of UCITS authorised according to Directive 2009/65/EC and/or other UCIs within the meaning of article 1 paragraph (2) points a) and b) of the Directive 2009/65/EC, whether established or not in a Member State provided that:

- such other UCIs are authorised under laws which provide that they are subject to a supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;

- the level of protection for unit-holders/shareholders in such other UCIs is equivalent to that provided for unit-holders/shareholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;

- the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the UCITS' or the other UCIs' assets, whose acquisition is contemplated, can, according to their management regulations or constitutional documents, be invested in aggregate in units/shares of other UCITS or other UCIs;

f) deposits with a credit institution which are repayable on demand or may be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in 8.1. paragraphs a), b) and c) above; and/or

financial derivative instruments dealt in over-the-counter (**OTC Derivatives**), provided that:

- the underlying consists of instruments covered by Clause 8.1 above, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives as stated in the Fund's Articles;

- the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and

- 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 Fund's initiative.

The exposure to the underlying assets does not exceed the investment restrictions set out in Clause 8.3 (10).

Under no circumstances shall these operations cause the Sub-Fund to diverge from its investment objectives.

h) money market instruments other than those dealt in on a Regulated Market, which fall under article 1 of the 2010 Law, if the issue or 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 a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking the securities of which are dealt in on regulated markets referred to in subparagraphs a), b) or c) above, or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount at least to ten million Euros (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the Fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group finance or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

i) securities issued by one or several other Sub-Funds (the **Target Sub-Fund(s))** provided however that:

- the Target Sub-Fund does not, in turn invest in the Sub-Fund investing in the Target Sub-Fund; and

- no more than 10% of the net assets of the Target Sub-Fund whose acquisition is contemplated may be invested in aggregate in Shares of other Target Sub-Funds of the Fund; and

- the voting right, if any, attached to the relevant securities shall be suspended as long as they are held by the Sub-Fund investing in the Target Sub-Fund, without prejudice to the appropriate processing in the accounts and the periodic reports; and

- in any event, as long as these securities are held by the Fund, their value shall not be taken into consideration for the calculation of the Net Asset Value of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the 2010 Law; and

- there is no duplication of management/subscription or repurchase fees perceived at the level of the Sub-Fund investing in the Target Sub-Fund and this Target Sub-Fund.

7.2. RESTRICTED ELIGIBLE ASSETS

However each Sub-Fund may:

a) invest no more than 10% of its assets in transferable securities and money market instruments other than those referred to in paragraph 8.1 a) through d) and h);

b) hold cash and cash equivalent on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if Board of Directors of the Fund considers this to be in the best interest of the Shareholders;

c) borrow up to 10% of its assets, provided that such borrowings are (i) made only on a temporary basis or (ii) enable the acquisition of immovable property essential for the direct pursuit of its business. When authorized to borrow under (i) and (ii) above, such borrowing shall not exceed 15% of its assets in total. Collateral arrangements with trespect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction; and

d) acquire foreign currency by means of a back-to-back loan.

7.3. INVESTMENT RESTRICTIONS PER ISSUER

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

7.3.1. Limitations to transferable securities and money market instruments

(1) No Sub-Fund may purchase additional transferable securities and money market instruments of any single issuer if:

(i) upon such purchase more than 10% of its assets would consist of transferable securities or money market instruments of one single issuer; or

(ii) the total value of all transferable securities and money market instruments of issuers in each of which it invests more than 5% of its assets would exceed 40% of the value of

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

(2) A Sub-Fund may invest on a cumulative basis up to 20% of its assets in transferable securities and money market instruments issued by the same group of companies.

(3) The limit of 10% set forth above under Clause 8.3.1. (1)(i) is increased to 35% in respect of transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by any another state or by a public international body of which one or more Member State(s) are member(s).

(4) The limit of 10% set forth above under 8.3.1. (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public supervision in order to protect the holders of such qualifying debt securities. For the purposes hereof, "**qualifying debt securities**" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its assets in qualifying debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the assets of such Sub-Fund.

(5) The securities specified above under 8.3.1. (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under 8.3.1. (1) (ii).

(6) Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its assets in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities, by any other member state of the OECD or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the total assets of such Sub-Fund.

(7) Without prejudice to the limits set forth hereunder under Clause 8.3. (15) and (16), the limits set forth in (1) are raised to a maximum of 20% for investments in stocks and/or debt securities issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the CSSF, on the following basis:

(i) the composition of the index is sufficiently diversified,

(ii) the index represents an adequate benchmark for the market to which it refers,

(iii) it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

7.3.2. Bank Deposits

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

7.3.3. Derivative Instruments

(9) The risk exposure to a counterparty of the Fund in an OTC Derivative transaction may not exceed 10% of the net assets of any Sub-Fund when the counterparty is a credit institution referred to in Clause 8.1 f), or 5% of its net assets in the other cases.

(10) Investment in financial derivative instruments shall only be made, and within the limits set forth in Clause 8.3. (2), (5) and (14), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in Clause 8.3. (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits set forth in Clause 8.3. (1) to (5), (8), (9), (13) and (14).

(11) When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of in Clause 8.3.3. (10) and 8.3.4. hereunder as well as with the risk exposure and information requirements laid down in the sales documents of the Fund.

7.3.4. Limitations to units and shares of UCITS and UCI

(12) Any Sub-Fund of the Fund may not invest more than 20% of its assets in units/shares of a single UCITS and/or other UCIs referred to in under Clause 8.1.e).

For the purpose of applying this investment limit, each sub-fund of a UCI with multiple sub-funds, within the meaning of article 181 of the 2010 Law, shall be considered as a separate entity, provided that the principle of segregation of commitments of the different sub-funds is ensured towards third parties.

Investments made in units/shares of UCI other than UCITS may not exceed, in aggregate, 30% of the net assets of any Sub-Fund.

When a UCITS has acquired units or shares of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purpose of the limits laid down in Clause 8.3. (1) to (5), (8), (9) and (14).

When the Fund invests in the units/shares of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company to which it is linked by common management or control or by a direct or indirect substantial holding of the capital or of the voting rights, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units/shares of other UCITS and/or UCI.

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in the Prospectus the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual financial report, the Fund shall indicate the maximum proportion of asset management fee charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.

7.3.5. Master-Feeders structures

The Fund or any of its Sub-Funds may be a feeder (the **Feeder**), within the meaning of the 2010 Law and invest as such in at least 85% of its assets in units or shares of another UCITS (or its sub-funds) (the **Master**), provided that the Master is not itself a Feeder and does not hold units or shares in a Feeder.

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

(i) ancillary liquid assets in accordance with article 41 (2) second indent of the 2010 Law;

(ii) financial derivative instruments, which may be used only for hedging purposes, in accordance with article 41 (1), g) and article 42,(2) and (3) of the 2010 Law;

(iii) movable and immovable property which is essential for the direct pursuit of its business.

In such a case, a description of all remuneration and reimbursement of costs payable by the Feeder, by virtue of its investment in the Master, as well as of the aggregate charges of the Master and the Feeder shall be defined in Part II “Sub-Fund Characteristics”.

7.3.6. Combined limits

(13) Notwithstanding the individual limits laid down in Clause 8.3. (1), (8) and (9) above, a Sub-Fund where this would lead to investing more than 20% of its assets in a single body shall not combine any of the following:

(i) investments in transferable securities or money market instruments issued by that body;

(ii) deposits made with that body; and/or,

(iii) exposures arising from OTC Derivatives transactions undertaken with that body.

(14) The limits set out in Clause 8.3. (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with Clause 8.3. (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the assets of each Sub-Fund.

7.3.7. Limitations on Control

(15) The Fund may not acquire such amount of shares carrying voting rights which would enable the Fund to exercise legal or management control or a significant influence over the management of the issuer.

(16) The Fund, as a whole, may not acquire (i) more than 10% of the outstanding non-voting shares of the same issuer; (ii) more than 10% of the outstanding debt securities of the same issuer; (iii) more than 10% of the money market instruments of any single issuer; or (iv) more than 25% of the outstanding shares or units of the same UCITS and/or UCI.

The limits set forth in (16) (ii) to (iv) 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 ceilings set forth above under Clause 8.3. (15) and (16) do not apply in respect of:

(i) transferable securities and money market instruments issued or guaranteed by a Member State or by its public local authorities;

(ii) transferable securities and money market instruments issued or guaranteed by any Other State;

(iii) transferable securities and money market instruments issued by a public international body of which one or more Member State(s) are member(s);

(iv) shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investment policy the restrictions set forth under Clause 8.3. items (1) to (5), (8), (9) and (12) to (16); and

(v) shares in the capital of subsidiary companies which, exclusively on behalf of the Fund carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of Shares at the request of Shareholders.

7.4. INVESTMENT RESTRICTIONS PER TYPE OF ASSETS

Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

1) no Sub-Fund may acquire commodities or precious metals or certificates representative thereof;

2) no Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein;

3) no Sub-Fund may issue warrants or other rights to subscribe for its Shares;

4) a Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non-fully paid-up transferable securities, money market instruments or other financial instruments, as mentioned in Clause 8.1, items (e), (g) and (h); and

5) no Sub-Fund may enter into short sales of transferable securities, money market instruments or other financial instruments as listed in Clause 8.1, items (e), (g) and (h).

Notwithstanding anything to the contrary herein contained:

1) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to transferable securities and money market instruments in such Sub-Fund's portfolio.

2) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Shareholders.

3) The Fund has the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Shares of the Fund are offered or sold.

7.5. GLOBAL RISK EXPOSURE AND RISK MANAGEMENT

The Fund must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions in its portfolios and their contribution to the overall risk profile of its portfolios.

In relation to financial derivative instruments the Fund must employ a process (or processes) for accurate and independent assessment of the value of OTC derivatives and the Fund shall ensure for each Sub-Fund that its global risk exposure relating to financial derivative instruments does not exceed the total net value of its portfolio.

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

In the framework of the risk management process, either the commitments approach, or relative or absolute “value-at-risk” approach (hereinafter **VaR**) may be used to manage and measure the global risk exposure of each Sub-Fund. The choice of the approach used is based on the investment strategy of each Sub-Fund and on the type and on the complexity of the financial derivative instruments in which the relevant Sub-Fund may invest, and also the proportion of financial derivative instruments held by the Sub-Fund.

The commitments approach measures the overall risk exposure linked to investment in financial derivative instruments and other investment techniques (taking into account the netting and hedging effects), which shall not exceed the Net Asset Value. Pursuant to this approach, each financial derivative instrument is in principle converted to the market value of an equivalent investment in the underlying asset to this financial derivative instrument.

The VaR measures the maximum expected loss taking into account a given confidence level and a given period.

The VaR calculation is processed on the basis of a unilateral confidence interval of 99% and a twenty (20) days time horizon.

When using relative VaR, the calculated overall global risk exposure related to the whole portfolio investments of the relevant Sub-Fund does not exceed twice the VaR of the reference portfolio.

When using absolute VaR, the VaR of the relevant Sub-Fund is limited to a maximum of 20% of its Net Asset Value.

The method used to determine the overall global risk exposure and the reference portfolio for the Sub-Funds using the relative VaR approach are set out for each Sub-Fund in Part II.

The expected level of leverage for each Sub-Fund using VaR is indicated for each Sub-Fund in Part II. In certain circumstances, this level of leverage may however be exceeded. The method used for determining the expected level of leverage of these Sub-Funds is based on the sum of the notionals.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in Clause 8 "*Investment Restrictions*" and Clause 9 "*Techniques and Financial Instruments*", in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Clause 8 "*Investment Restrictions*".

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits laid down in Clause 8.3. (1) to (5), (8), (9), (13) and (14).

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 Clause.

Whenever risk management processes, adequate to perform the functions described above are employed on behalf of the Fund by the Management Company in managing the Sub-Fund(s), they are deemed to be employed by the Fund.

Risk Warning

As the portfolio of each Sub-Fund is subject to market fluctuations and to the risks inherent in any investment, Share prices may vary as a result and the Fund cannot give any guarantee that its objectives will be achieved.

8. TECHNIQUES AND FINANCIAL INSTRUMENTS

General principle

The Fund must employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio; it must employ a process for accurate and independent assessment of the value of OTC derivative instruments. It must communicate to the CSSF regularly and in accordance with the detailed rules defined by the latter, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in derivative instruments.

The Fund may employ securities financing transactions ("**SFTs**") as described in section "**SFTs** and **TRS**" hereunder and derivative instruments relating to transferable securities and money market instruments amongst others for hedging purposes, efficient portfolio management, duration management or other risk management of the portfolio as described here below.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in section "Investment Restrictions".

However, the overall risk exposure related to financial derivative instruments will not exceed the total net asset value of the Fund.

This means that the global exposure relating to the use of financial derivative instruments may not exceed 100% of the net asset value of the Fund and, therefore, the overall risk exposure of the Fund may not exceed 200% of its net asset value on a permanent basis.

Each Sub-Fund will employ the commitment or VAR approach to calculate their global exposure accordingly to the risk profile of the Sub-Fund.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.

A Sub-Fund may also invest in OTC financial derivative instruments including but not limited to non-deliverable forwards, total return swaps, interest rate swaps, currency swaps, swaptions, credit default swaps, and credit linked note for either investment or for hedging purposes.

In doing so, the Sub-Fund shall comply with applicable restrictions and in particular with ESMA guidelines on exchange traded funds ("**ETFs**") and other UCITS issues as described in CSSF circular 14/592 and with EU Regulation 2015/2365 on transparency of securities financing transactions and of reuse of 25 November 2015 and CSSF Circulars CSSF 08/356, CSSF 11/512 CSSF 14/592. ("**SFTR**").

The risk exposures to a counterparty arising from OTC financial derivative transactions and

efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of Directive 2009/65/EC.

In no case the use of financial derivatives instruments or other financial techniques and financial instruments may lead the Fund to diverge from its investment objectives as expressed in the Prospectus.

When entering into Total Return Swaps ("**TRS**") arrangements, which for sake of clarity, also need to comply with the provisions applicable to TRS under the SFTR, or investing in other derivative financial instruments having similar characteristics to TRS, the Fund must respect the limits of diversification referred to in Articles 43, 44, 45, 46 and 48 of the 2010 Law.

Likewise, in accordance with Article 42 (3) of the 2010 Law and Article 48 (5) of CSSF Regulation 10-4, the Fund must ensure that the underlying exposures of the TRS (respectively other similar financial instrument) are taken into account in the calculation of the investment limits laid down in Article 43 of the 2010 Law.

The Management Company may not enter into swap transactions unless it ensures that the level of its exposure to the swaps is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions.

The counterparties will be leading financial institutions specialized in this type of transaction and subject to prudential supervision. These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

Combined risk exposure to a single counterparty may not exceed 10% of the respective Sub-Fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the 2010 Law or 5% of its assets in any other cases.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The costs for such rebalancing are estimated to a leverage of 4bps.

The TRS and other derivative financial instruments that display the same characteristics shall confer to the Fund a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency risk of the counterparty may make it impossible for the payments envisioned to be received.

The total commitment arising from total return swap transactions of a particular Sub-Fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of total return swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each Sub-Fund exceed at any time the Net Asset Value of such Sub-Fund.

The total return swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

Typically investments in total return swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

Furthermore, the Fund may, for efficient portfolio management purposes, exclusively resort to securities lending and borrowing and repurchase agreement transactions, provided that the rules described here-below are complied with.

SFTs and TRS

General provisions related to SFTs and TRS

The Fund will make use of the following SFTs:

- "**securities lending" or "securities borrowing**" means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred;

- "**repurchase agreement transaction**" means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognized exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;

- **"buy-sell back transaction**" or "**sell-buy back transaction**" means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities, or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy- sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse- repurchase agreement within the meaning of a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognized exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them;

The Fund may enter into credit derivatives contracts. Credit derivatives are transactions which are designed to isolate and transfer the credit risk associated with a third party (the reference entity) or a basket/index of reference entities. Such credit default products will typically be divided into two categories, **namely "funded" and "unfunded"**, depending on whether or not the credit protection seller makes an initial principal payment in respect of the reference asset.

There are many ways in which this can be done, which essentially involve four types of transaction.

The first type, credit default products, consists of transactions under which the parties' obligations depend on whether a "credit event" has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. In entering into these credit default products, the Issuer may be a credit protection buyer or a credit protection seller.

The second type consists of total return swaps ("TRS") which means total return swap, i.e., a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

When entering into Total Return Swaps (**"TRS**") arrangements, which for sake of clarity, also need to comply with the provisions applicable to TRS under the SFTR, or investing in other derivative financial instruments having similar characteristics to TRS, the Fund must respect the limits of diversification referred to in Articles 43, 44, 45, 46 and 48 of the 2010 Law.

Likewise, in accordance with Article 42 (3) of the 2010 Law and Article 48 (5) of CSSF Regulation 10-4, the Fund must ensure that the underlying exposures of the TRS (respectively other similar financial instrument) are taken into account in the calculation of the investment limits laid down in Article 43 of the 2010 Law.

The Management Company may not enter into swap transactions unless it ensures that the level of its exposure to the swaps is such that it is able, at all times, to have sufficient liquid assets available to meet its redemption obligations and the commitments arising out of such transactions.

The counterparties will be leading financial institutions specialized in this type of transaction and subject to prudential supervision.

These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

Combined risk exposure to a single counterparty may not exceed 10% of the respective Sub-Fund assets when the counterparty is a credit institution referred to in article 41 paragraph (1) (f) of the 2010 Law or 5% of its assets in any other cases.

The rebalancing frequency for an index that is the underlying asset for a financial derivative is determined by the provider of the index in question. The costs for such rebalancing are estimated to an average of 4bps.

The TRS and other derivative financial instruments that display the same characteristics shall confer to the Fund a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency risk of the counterparty may make it impossible for the payments envisioned to be received.

The total commitment arising from total return swap transactions of a particular Sub-Fund shall be the market value of the underlying assets used for such transactions at inception.

The net exposure of total return swap transactions in conjunction with all exposures resulting from the use of options, interest rate swaps and financial futures may not in respect of each Sub-Fund exceed at any time the Net Asset Value of such Sub-Fund.

The total return swap transactions to be entered into will be marked to market daily using the market value of the underlying assets used for the transaction in accordance with the terms of the swap agreement.

Typically investments in total return swap transactions will be made in order to adjust regional exposures, limit settlement and custodian risks as well as repatriation risk in certain markets and to avoid costs and expenses related to direct investments or sale of assets in certain jurisdictions as well as foreign exchange restrictions.

The third type, credit spread derivatives, are credit protection transactions under which the payments may be made by either a credit spread or protection buyer or seller depending on the relative credit standings of two or more reference assets, measuring the market value of a particular asset against the market value of another asset, one of which typically being of "benchmark" quality, i.e. of a highly creditworthy obligor, such as a sovereign entity.

The fourth type, credit spread options, are credit derivatives designed to hedge against or take advantage of changes in credit spreads under which a reference credit instrument or index is selected and the strike spread, exercise date(s) and maturity date are set. The pay-off is based on whether the actual spot spread of the reference credit instrument or index as at the option exercise date is greater or less than the strike spread. The transaction may be either based on changes in a credit spread of a reference credit instrument or index against a market benchmark (e.g. LIBOR or U.S. Treasuries) or changes in the relative spread between two credit instruments or indices or a combination thereof.

All credit derivative risks are monitored and included at their full underlying value (including the underlying assets in inventory and the associated loan as a liability) for the purpose of maintaining compliance with investment restrictions.

Furthermore, the Fund may, for efficient portfolio management purposes, exclusively resort to securities lending and borrowing and repurchase agreement transactions, provided that the rules described here below are complied with.

The Fund and any of its Sub-Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes.

Any use of SFTs for investment purposes will be in line with the risk profile and risk diversification rules applicable to the Fund and any of its Sub-Funds.

The maximum and expected proportion (i) of assets that may be subject to SFT and TRS and (ii) for each type of assets that are subject to TRS or SFT will be set out for each Sub-fund in the relevant Special Section.

If a Sub-fund intends to make us of SFT and TRS, the relevant Special Section will include the disclosure requirements of the SFTR.

The assets that may be subject to SFTs and TRS are limited to:

- short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
- 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 world-wide scope;
- shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- bonds issued by non-governmental issuers offering an adequate liquidity;
- shares quoted or negotiated on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

The maximum proportion and the expected proportion of assets under management of the Sub-Funds that can be subject to SFTs and TRS is disclosed on the respective Sub Fund`s level.

The counterparties to the SFTs and TRS will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and minimum credit rating.

The average rating of the counterparties to the SFTs and TRS used will be BBB+ according to S&P rating or equivalent.

The Fund will therefore only enter into SFTs and TRS with such financial Counterparties defined in Art 3 of the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012. Further such financial counterparties have to be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company, and who are based on a regulated market of a European Union Member State or on a stock exchange of a Member State of the OECD.

The Fund will collateralize its SFTs and TRS pursuant to the provisions set forth hereunder in section **"Collateral Management and Policy".**

The risks linked to the use of SFTs and TRS as well as risks linked to collateral management, such as operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its reuse are further described hereunder in section **"Risk Factors".**

The assets of a Sub-Fund that are subject to SFTs and TRS, and any collateral received, are held by the Depositary.

Where there is a title transfer, the collateral received must be held by the Depositary. The

Depositary may delegate the custody of the collateral to a sub-depositary but it will retain overall responsibility for the custody of the collateral. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

The Depositary will further ensure, in accordance with the requirements of the UCITS Directive that the assets of the Fund held in custody by the Depositary shall not be reused by the Depositary or by any third party to whom the custody function has been delegated for their own account.

The Fund`s assets may be reused for the account of the Fund where:

a) the reuse of the assets is executed for the account of the Fund;
b) the Depositary is carrying out the instructions of the Management Company;
c) the reuse is for the benefit of the Fund and in the interest of the shareholders; and
d) the transaction is covered by high quality and liquid collateral received by the Fund under a title transfer arrangement with a market value at all times at least equivalent to the market value of the reused assets plus a premium.

Policy on sharing of return generated by SFTs and TRS

All revenues arising from SFTs will be returned to the Sub-Funds.as below determined:
Securities lending at latest 50 % of the income generated by Securities lending are returned back to the Sub-Fund participating in Securities lending.

Securities borrowing at latest 50 % of the income generated by Securities borrowing are returned back to the Sub-Fund participating in Securities borrowing.

Repurchase agreements at least 50 % of the income generated by Repurchase Agreements are returned back to the Sub-Fund having established repurchase agreements.

Buy-sell back transaction at least 50 % of the income generated by buy–sell back transactions are returned back to the Sub-Fund participating in buy–sell back transactions.

Sell-buy back transaction at least 50 % of the income generated by sell–buy back transactions are returned back to the Sub-Fund participating in sell-buy back transactions.

Regarding TRS (including CFDs) all revenues will be returned to the Sub-Fund that will be charged with up to 100% of the costs related to these operations.

Applicable to SFT a maximum of up to 50 % of the income of the SFT may be paid as , fees, commissions, costs or expenses may be paid to “SFT Agents” of the Sub-Fund as normal compensation of their services (Hereafter referred to as operational costs).

SFT Agent means any person involved in SFTs and/or TRSs as securities lending agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Fund’s assets or any Sub-fund's assets (which can be the counterparty of a Sub-fund in an SFT and/or a TRS).

SFT Agents are not related parties to the Management Company.

The SFT Agents that will charge operational costs and the amount of such costs will be disclosed in the annual report of the Fund.

Securities Lending and Borrowing

The Fund in order to achieve a positive return in absolute terms may enter into securities lending transactions and borrowing transaction provided that they comply with the SFTR and the provisions set forth in CSSF’s Circular 08/356, CSSF’s Circular 14/592 and ESMA Guidelines 2014/937 concerning the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments, as amended from time to time, as follows:

i. The Fund may only lend or borrow securities through a standardized system organized by a recognized clearing institution or through a first class financial institution specializing in this

type of transaction approved by the board of directors of the Management Company. In all cases, the counterparty to the securities lending or borrowing agreements must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement. If the Fund lends its securities to entities that are linked to the Fund by common management or control, specific attention has to be paid to the conflicts of interest which may result therefrom.

ii. As part of lending transactions, the Fund must in principle receive an appropriate collateral, the value of which at the conclusion of the contract must be at least equal to the global valuation of the securities lent. At maturity of the securities lending transaction, the appropriate collateral will be remitted simultaneously or subsequently to the restitution of the securities lent.

iii. All assets received by the Fund in the context of efficient portfolio management techniques should be considered as collateral. The collateral which must comply with the conditions set forth below under section "**Collateral Management and Policy"**

iv. In case of a standardized securities lending system organized by a recognized clearing institution or in case of a lending system organized by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialized in this type of transactions, securities lent may be transferred before the receipt of the guarantee if the intermediary in question assures the proper completion of the transaction. Such intermediary may, instead of the borrower, provide to the Fund a guarantee which the value at conclusion of the contract must be at least equal to the total value of the securities lent.

v. The Fund must ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardize the management of Fund's assets in accordance with its investment policy.

vi. With respect to securities lending, the Fund will generally require the borrower to post collateral representing, at any time during the lifetime of the agreement, at least the total value of the securities lent (interest, dividends and other potential rights included) as further described hereunder in section "**Collateral Management and Policy**".

vii. Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund. Each Sub-Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depositary fails to make delivery; and (d) as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises its right to repurchase these securities, to the extent such securities have been previously sold by the relevant Sub-Funds.

viii. The Fund ensures that it is able at any time to recall any security that has been lent or terminate any securities lending transaction into which it has entered; and

ADEPA ASSET MANAGEMENT S.A., as Management Company of the Fund, does not act as securities lending agent. If ADEPA ASSET MANAGEMENTS.A. takes over this function and activity, the Prospectus will be updated accordingly.

The Fund's annual report will provide details on the depositary of the Fund, provided they receive direct and indirect operational costs and fees.

Repurchase Agreement Transactions

The Fund may on an ancillary basis, in order to achieve a positive return in absolute terms may enter into repurchase agreement transactions, which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The Fund can act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions. Its involvement in such transactions is, however, subject to the following rules:

i. The Fund may enter into these transactions only if the counterparties to these transactions are subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and approved by the board of directors of the Management Company.

ii. At the maturity of the contract, the Fund must ensure that it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution of the Fund. The Fund must take care to ensure that the volume of the repurchase agreement transactions is kept at a level such that it is able, at all times, to meet its redemption obligation towards shareholders.

iii. The Fund 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. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the Net Asset Value of the relevant Sub-Funds.

iv. The Fund must further 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.

v. Repurchase agreement and reverse repurchase agreements will generally be collateralized as further described hereunder in section "**Collateral Management and Policy**", at any time during the lifetime of the agreement, at least their notional amount.

vi. The securities purchased with a repurchase option or through a reverse repurchase agreement transaction must be in accordance with the Sub-Fund investment policy and must, together with the other securities that it holds in its portfolio, globally comply with its investment restrictions.

Fixed- term repurchase and reverse repurchase agreements that do not exceed seven (7) days are to be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Disclosure to Investors

In connection with the use of techniques and instruments the Fund, will, in its financial reports, disclose the following information:

- the exposure obtained through efficient portfolio management techniques;
- the identity of the counterparty(ies) to these efficient portfolio management techniques;
- the type and amount of collateral received by the UCITS to reduce counterparty exposure;
- the use of TRS and SFTs pursuant to the SFTR.
- the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

Collateral Management and Policy

As security for any SFTs and OTC financial derivatives transactions, the relevant Sub-Fund will obtain collateral, under the form of bonds (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 world-wide scope) and cash, covering at least the market value of the financial instruments object of SFTs and OTC financial derivatives transactions.

Collateral received must at all times meet the following criteria:

(a) Liquidity: Collateral must be sufficiently liquid in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.

(b) Valuation: Collateral must be capable of being valued on at least a daily basis and must be marked to market daily, it being understood that the Fund does not intend to make use of daily variation margins.

(c) Issuer credit quality: The Fund will ordinarily only accept very high quality collateral.

(d) Safe-keeping: Collateral must be transferred to the Depositary or its agent.

(e) Enforceable: Collateral must be immediately available to the Fund without recourse to the counterparty, in the event of a default by that entity

(f) Non-Cash collateral

1. cannot be sold, pledged or re-invested;
2. must be issued by an entity independent of the counterparty; and
3. must be diversified to avoid concentration risk in one issue, sector or country.

(g) The maturity of the non-cash collateral shall be a maximum of 5 years.

(h) Cash Collateral can only be:

placed on deposit with entities prescribed in Article 41(f) of the Law;

- invested in high-quality government bonds;
- 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;
- invested in short-term money market funds as defined in ESMA's Guidelines on a Common Definition of European Money Market Funds. Each Sub-Fund may reinvest cash which it receives as collateral in connection with the use of techniques and instruments for efficient portfolio management, pursuant to the provisions of the applicable laws and regulations, including CSSF Circular 08/356, as amended by CSSF Circular 11/512 and the ESMA Guidelines.

  Re-invested cash collateral will expose the Sub-Fund to certain risks such as foreign exchange risk, the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

  Each Sub-Fund must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution, in such a manner that the Sub-Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities. During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged.

  (i) Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a UCITS may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value.
  (ii) UCITS that intend to be fully collateralized in securities issued or guaranteed by a Member State should disclose this fact in the prospectus of the UCITS. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.

Haircut Policy

The Fund has set up, in accordance with the Circular 14/592, a clear haircut policy adapted for each class of assets received as collateral mentioned above. Such policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy.

When entering into securities lending and borrowing transactions, each Sub-Fund must receive, in principle, a guarantee the value of which is, during the lifetime of the lending agreement, at least equivalent to 105% of the global valuation (interests, dividends and other possible rights included) of the securities lent, depending on the degree of risk that the market value of the assets included in the guarantee may fall:

- Government bonds with maturity up to 1 year: Haircut between 0 and 2%
- Government bonds with maturity of more than 1 year: Haircut between 0% and 5%
- Corporate bonds: Haircut between 6% and 10%
- Cash: 0%

When entering into repurchase or reverse repurchase transactions, each Sub-Fund will obtain the following collateral covering at least the market value of the financial instrument object of the transaction:

- Government bonds with maturity up to 1 year: Haircut between 0 and 5%
- Government bonds with maturity of more than 1 year: Haircut between 0 and 5%
- Corporate bonds: Haircut between 6% and 10%
- Cash: 0%

When entering into OTC transaction each Sub-Fund must receive or pay a guarantee managed by the Credit Support Annex (CSA) to the ISDA in place with each counterparty and it will obtain the following collateral covering at least the market value of the financial instrument object of the OTC transaction:

- Cash: 0%
- Government bonds with maturity up to 1 year: Haircut between 0 and 2%
- Government bonds with maturity of more than 1 year: Haircut between 0 and 5%

Any haircuts applicable to collateral are agreed conservatively with each OTC financial derivative counterparty on case by case basis. They will vary according to the terms of each collateral agreement negotiated and prevailing market practice and conditions. Collateral received or paid by the Fund shall predominantly be limited to cash and government bonds according to the CSA.

All assets received in the context of Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques in accordance with the Circular 14/592 will be considered as collateral and will comply with the criteria set up above.

All collateral used to reduce counterparty risk exposure will comply with the following criteria at all times:

For all the Sub-Funds receiving collateral for at least 30% of their assets, the Fund will set up, in accordance with the Circular 14/592, an appropriate stress testing policy to ensure regular stress tests under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral.

The Fund must proceed on a daily basis to the valuation of the guarantee received or paid, using available market prices and taking into account appropriate discounts which will be determined in according to the CSA for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer’s credit standing, the maturity, currency, price volatility of the assets.

Currency Hedging

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Fund may enter into transactions the object of which is the purchase or the

sale of forward foreign exchange contracts, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currencies forward or the exchange of currencies on a mutual agreement basis provided that these transactions be made either on exchanges or over-the-counter with first class financial institutions specializing in these types of transactions and being participants of the over-the counter markets.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency, including a currency bearing a substantial relation to the value of the reference currency (i.e. currency of denomination) of the relevant Sub-Fund -known as "hedging by proxy"- may not exceed the total valuation of the assets and liabilities held in such currency nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

9. NET ASSET VALUE

9.1. NAV DETERMINATION

The Net Asset Value per Share in respect of each Sub-Fund and Class of Shares in the Fund shall be calculated on the Valuation Day as determined in Part II for each Sub-Fund, in the currency in which the Sub-Fund is denominated.

The Net Asset Value is calculated by dividing the value of the net assets of the different Sub-Funds of the Fund by the total number of Shares of each type of Shares in circulation of the said Sub-Fund as of that date and rounding the result obtained for each Share to the nearest hundredth in the currency of the Sub-Fund.

The Net Asset Value of each Sub-Fund of the Fund, taking into consideration the breakdown between Classes of Shares, if any, is equal to the difference between its assets and its current liabilities. For the determination of net assets, income and expenses are recorded every day.

The asset valuation of the various Sub-Funds is determined as follows:

1) The value of cash in hand or on deposit, securities, stocks and shares and bills payable at sight and accounts receivable, prepaid expenses, dividends and interests declared or due but not yet collected, shall be made up of the nominal value of such assets, unless it appears unlikely that such value shall be collected; in which case the value shall be determined by deducting such amount which the Fund may deem necessary in view of reflecting the true value of such assets.

2) The value of any transferable security and/or financial derivative instruments which are officially traded or listed on a stock exchange on any other regulated, regularly operating, recognised market which is open to the public shall in principle be determined as being their last known price in Luxembourg on the valuation date, and, where the security or financial derivative instrument is traded on several different markets, by taking the security's or financial derivative instrument's latest known price on its main market; unless such price is not representative.

3) The value of transferable securities dealt on another Regulated Market shall be determined on the basis of the last available price.

4) In as much as transferable securities in the portfolio on the Valuation Day are neither officially listed nor dealt on a regulated, regularly operating, recognised market, or in the case or in the case where, for securities officially listed or dealt on a stock exchange or

another regulated market, the price as determined pursuant to sub-paragraphs 2) or 3) above is not representative of the true value of those securities, the valuation shall be made on the basis of their likely value of realisation estimated with due care and in good faith.

5) Options, financial futures and interest rate swap contracts shall be valued at the last known price on the stock exchanges or regulated markets concerned.

6) Shares or units in underlying open-ended investment funds shall be valued at their last available net asset value.

7) The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in accordance with market practice.

8) Money market instruments will be valued at nominal value plus any accrued interest or on an amortised cost basis as determined by the Board of Directors.

Where, as a result of special circumstances, a valuation on the basis of the aforesaid rules becomes impracticable or inaccurate, other generally accepted and verifiable valuation criteria are applied in order to obtain an equitable valuation, the Board of Directors may adjust the value of any investment or permit some other method of valuation to be used for the assets of the Fund if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments.

Any asset that may not be expressed in the currency of the Sub-Fund to which it belongs are converted into the reference currency of the Sub-Fund at the rate of exchange applicable on the working day concerned or at the rate of exchange provided for in the forward contracts.

The Net Asset Value per Share of the various Sub-Funds, and their issue, redemption and conversion prices are available each Business Day at the Fund's registered office.

9.2. SUSPENSION OF CALCULATION OF THE NAV AND OF ISSUE AND REDEMPTION OF SHARES

The Board of Directors may suspend the calculation of the Net Asset Value of the Shares, the issue and redemption of such Shares, and the conversion from and into those Shares:

1) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the Fund’s investments attributable to any Sub-Fund for the time being are quoted, is closed, (otherwise than for ordinary holidays), or during which dealings are substantially restricted or suspended;

2) during the existence of any state of affairs which in the opinion of the Board of Directors constitutes an emergency as a result of which disposals or valuations of assets owned by the Fund attributable to any Sub-Fund would be impracticable;

3) during any breakdown in, or restriction in the use of the means of communication normally employed in determining the price or value of any of the investments attributable to any Sub-Fund or the current prices on any market or stock exchange;

4) during any period when the Fund is unable to repatriate moneys for the purpose of making payments on the redemption of its Shares or during which any transfer of moneys involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange;

5) during any period when, in the opinion of the Board of Directors, there exists unusual circumstances which make it impracticable or unfair towards the Shareholders to continue dealing with Shares of any Sub-Fund of the Fund;

6) in case of a decision to liquidate the Fund or the given Sub-Fund, on or after the date of notification to the Shareholders for this purpose;

7) when there is a suspension of redemption or withdrawal rights by several investment funds in which the Fund or the relevant Sub-Fund is invested;

8) upon notification to the Shareholders of the merger of the Fund or a Sub-Fund, whether for approval or for information, to the extent that such a suspension is justified for the protection of the Shareholders' interest; or

9) during any period where the Master of a Sub-Fund or one or several Sub-Funds in which a Sub-Fund has invested a substantial portion temporarily suspends the calculation of its net asset value as well as the repurchase, redemption or subscription of its units, whether at its own initiative or at the request of its competent authorities.

Shareholders having requested issue, redemption of their Shares will be notified in writing of any such suspension as soon as practically possible and will be promptly notified in writing of the termination of such suspension.

The suspension affecting any Sub-Fund will have neither effect on the calculation of NAV, subscription price and redemption price nor on the issue and redemption of, and the conversion from and into, Shares of any other Sub-Fund.

10. SHARE ISSUANCE

The Board of Directors is authorised to issue Shares in each Sub-Fund at any time and without limitation.

Pursuant to the Luxembourg law of 5 April 1993 relating to the financial sector (as amended), the Luxembourg law of 12 November 2004 relating to money laundering and counter terrorist financing (as amended), the law of 27 October 2010 enhancing the anti-money laundering and counter-terrorist financing legal framework and the CSSF Regulation No. 12-02 of 14 December 2012 implementing a legally binding reinforcement of the regulatory framework, as well as to the circulars of the Luxembourg supervisory authority (notably CSSF circulars 13/556, 11/529, 11/528, 10/486 and 10/484), obligations have been imposed on the Fund to take measures to prevent the use of investment funds for money laundering and terrorist financing purposes. The Fund has delegated to the Management Company the administration and marketing in respect of Shares in all the Sub-Funds. Pursuant to such delegation, the Management Company or its delegates will implement measures aimed at combating money laundering and terrorism financing. The prevention of money laundering may require an applicant for Shares, and as the case may be, the beneficiary (ies) of such Shares, to certify its/their identity to the Management Company or its delegates. Depending on the circumstances of each application, verification may not be required where the applicant makes the payment from an account held in the applicant’s name at a recognized financial institution, or the application is made through a recognized intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is established within a country recognized by Luxembourg as having equivalent anti-money laundering regulations (an **Equivalent Country**). Accordingly, for the subscription to be considered valid and acceptable by the Fund, the subscriber, and as the case may be, beneficiary(ies), is/are required to attach at least the following to his subscription form:

1) *individuals*: a copy of an identification document (passport or identity card);

2) *legal entities*: a copy of any official company document (e.g. Memorandum and articles of association, published financial statements, extract of trade register entry) and the identification documents of any authorised representatives (passport or identity card).

These documents must be duly certified by a representative of a public authority (e.g. a notary, police officer, ambassador) in the country of residence.

This is mandatory except in cases where:

1) the application form is submitted to the Fund by one of its distribution agents in an Equivalent Country; or

2) the subscription form is sent directly to the Fund and payment is made:

   (i) either by a bank transfer originated at a financial establishment located in an Equivalent Country; or

   (ii) by a cheque drawn on a subscriber's private account at a bank located in an Equivalent Country or a cheque issued by a bank located in an Equivalent Country.

Depending on the nature and/legal structure of the applicant / beneficiary(ies) further documents may be requested in order to comply with rules and regulations relating to the prevention of the use of UCITS for the purpose of money laundering and terrorism financing.

"**Late Trading**" is to be understood as the acceptance of a subscription or redemption orders after the cut-off time on the relevant Valuation Day and the execution of such orders at the price based on the Net Asset Value per Share applicable to such Valuation Day. To deter such practice, the Board of Directors takes the necessary measures to prevent that subscriptions or redemptions be accepted after the cut-off time in Luxembourg and that the Net Asset Value per Share is calculated after the cut-off time ("**forward pricing**").

The repeated purchase and sale of Shares designed to take advantage of pricing inefficiencies in the Fund – also known as "**Market Timing**"- may disrupt portfolio investment strategies and increase the Fund's expenses and adversely affect the interests of the Fund's long term Shareholders. To deter such practice, the Board of Directors reserves the right, in case of reasonable doubt and whenever an investment is suspected to be related to Market Timing, which the Board of Directors shall be free to appreciate, to suspend, revoke or cancel any subscription or conversion order placed by investors who have been identified as doing frequent subscriptions and redemptions in and out of the Fund.

None of the Shares of the Fund are offered, nor is the Fund managed or intended to serve as a vehicle for frequent trading that seeks to take advantage of short-term fluctuations in the concerned securities markets.

The Board of Directors, as safeguard of the fair treatment of all investors, may take necessary measures to ensure that (i) the exposure of the Fund to Market Timing activities is adequately assessed on an on-going basis, and (ii) sufficient procedures and controls are implemented to minimise the risks of Market Timing in the Fund.

At the time of the present Prospectus, the minimum amounts per Shareholder are specified in Part II. The Board of Directors may from time to time accept smaller investments in the various Sub-Funds.

If the minimum holding requirement is not met anymore after a redemption or conversion request, the Fund may force the redemption of the remaining Shares of a given Shareholder or may invite him to convert his Shares into Share of another Sub-Fund, so as to comply with the minimum holding requirement.

For each type of Shares of the different Sub-Funds, the Board of Directors is authorised to issue Shares at any time and without limitation.

Applications must be done in amounts.

The Fund reserves the right to reject in whole or in part any subscription application. In addition, the Board of Directors reserves the right to suspend the issue and sale of Shares at any time and without notice.

If circumstances so require, the Board of Directors reserves the right at any time, without notice, to discontinue the issue or sale of Shares pursuant to this Prospectus.

The Fund may restrict or prevent the ownership of Shares by any US person and/or any person, firm or corporate body if in the opinion of the Fund such holding may be detrimental to the Fund or its Shareholders, may result in a breach of any applicable law or regulations (whether Luxembourg or foreign) or may expose the Fund or its Shareholders to liabilities (to include, inter alia, regulatory or tax liabilities and any other tax liabilities that might derive, inter alia, from any breach of FATCA requirements) or any other disadvantages that it or they would not have otherwise incurred or been exposed to. Such persons, firms or corporate bodies (including US persons and/or persons in breach of FATCA requirements) are herein referred to as “Prohibited Persons”.

For such purposes, the Fund may:

1) decline to issue any Share and decline to register any transfer of a Share, where it appears to it that such registration or transfer would or might result in beneficial ownership of such Share by a Prohibited Person;

2) at any time require any person whose name is entered in, or any person seeking to register the transfer of Shares on, the register of shareholders to furnish it with any representations and warranties or any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not, to what extent and under which circumstances, beneficial ownership of such Shareholder’s Shares rests or will rest in a Prohibited Person, or whether such registration will result in beneficial ownership of such Shares by a Prohibited Person; and

3) where it appears to the Fund that any Prohibited Person, either alone or in conjunction with any other person, is a beneficial owner of Shares or is in breach of its representations and warranties or fails to make such representations and warranties in a timely manner as the Fund may require, may compulsorily redeem from any such Shareholder all or part of the Shares held by such Shareholder.

No Share is issued if the calculation of the Net Asset Value of the concerned Sub-Fund is suspended by the Fund.

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

Neither the Board of Directors, nor the Management Company may be held responsible for any insufficient or defaulting payment proceeds in whatever form resulting from

circumstances beyond their control which may limit or render impossible the transfer of the subscription proceeds to the Fund.

Any costs incurred in connection with a contribution in kind of the securities shall be borne by the relevant contributing Shareholders.

The features linked to subscriptions in each Sub-Fund are described in Part II.

11. REDEMPTION OF SHARES

A shareholder wanting the redemption of all or part of his Shares can at any time send a written request to that effect to the Fund and/or EFA. The request must indicate the number of Shares or amounts to be redeemed, the Sub-Fund they belong to, the type of Shares and the name under which they have been registered as well as details of the account to which the payment of the redemption price is to be made. The request must be accompanied by all documents relating to the transfer.

Payment is made by bank transfer to an account of the Shareholder or by cheque sent to the address indicated by him. Payments are made at the Shareholder's own risk and cost.

Due to fluctuations of the Net Asset Value per Share, the redemption price may be higher or lower than the price paid by the Shareholder when he originally bought the Shares.

The right to redeem is suspended during any period in which the calculation of the Net Asset Value per Share has been suspended. Each Shareholder requesting repurchase of his Shares is notified of such suspension and all applications thus pending may be withdrawn if written notice to that effect is received by the Fund before the suspension is revoked. In the absence of such notice, the Shares concerned are redeemed on the first Valuation Day following the end of the suspension.

Redeemed Shares are cancelled.

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

The repurchase price is expressed in the reference currency of the concerned Sub-Fund.

If, on any given date, requests for redemption of Shares received by any Sub-Fund relate to more than 10 % of the Shares in the Sub-Fund, and either the Sub-Fund's available cash, together with amounts the Sub-Fund is permitted to borrow, is insufficient to meet such requests, or the Board of Directors determines that it is not advisable so to apply such cash and borrowings, the Board of Directors may decide that all or part of such requests for redemption will be deferred for such period as the Board of Directors considers to be in the best interests of the Fund. Normally this delay shall not exceed two Valuation Days. On the next Valuation Day following such period, redemption requests so deferred will be given priority over requests subsequently received. The redemption price at which any such deferred redemptions are made shall be the Net Asset Value per Share of the Sub-Fund on the Valuation Day on which such requests are met.

The features linked to redemptions in each Sub-Fund are described in Part II.

Shareholders are hereby informed that the fees of the Depositary Bank relating to the settlement of the redemption proceed will be supported by the Fund but the redeeming Shareholders may be required to pay any additional fees charged by their bank.

12. SHARE CONVERSION

Any Shareholder may request conversion of all or part of his Shares into Shares of another Class of Shares or Sub-Fund. However, a conversion into Shares of a Sub-Fund reserved to institutional investors is not permitted, unless the Shareholder qualifies as an institutional investor and meets the conditions of such Sub-Fund.

All or part of the Shares belonging to a specific Class of Shares cannot be converted into another Class of Shares unless it complies with the conditions of such Class of Shares (eg. eligibility, minimum holding etc.)..

A Shareholder wishing to convert his Shares may send the Fund a written request to that effect, giving the same information as that required for the redemption of Shares. He should also indicate the address to which payment of any balance resulting from the conversion may be made. That request must reach the Fund by 5:00 p.m (Luxembourg time) on the Business Day preceding the applicable Valuation Day.

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

The number of Shares allotted in the new Class of Shares will be calculated according to the following formula:

$$A = \frac{B \times C \times D}{E}$$

where:

A is the number of Shares to be allocated in the new Class of Shares (capitalisation or distribution Shares, if any)

B is the number of Shares to be converted in the original Class of Shares (capitalisation or distribution Shares, if any)

C is the net asset value on the applicable Valuation Day of the Shares to be converted in the original Class of Shares (capitalisation or distribution Shares, if any)

D is the exchange rate applicable on the Valuation Day of conversion between the currencies of the two Classes of Shares

E is the net asset value on the applicable Valuation Day of the Shares to be allocated in the new Class of Shares (capitalisation or distribution shares, if any).

No Share conversion will be made if the calculation of the Net Asset Value of one of the Sub-Funds is suspended.

No conversion fee will be charged.

13. DIVIDEND DISTRIBUTION POLICY

The general meeting of Shareholders will decide every year, upon a proposal from the Board of Directors, as to the use of the balance of the net annual investment revenue for each Sub-Fund.

The Board of Directors has stated that its objective is to obtain a maximum increase in capital value. Therefore, capital gains, interest, dividends and other income received will be automatically reinvested, and no dividend will be paid to shareholders. Nonetheless, the Board of Directors may decide to propose a dividend to the general meeting of the Shareholders if the Board of Directors deems this to be in the interest of the Shareholders, due for example to changes in the macroeconomic or fiscal environment.

If a dividend distribution is proposed, such dividends can be distributed independently of any realised capital gain or losses. Moreover, dividends may include a capital distribution provided that, after such distribution, the net assets of the Fund remain in excess of EUR 1.25 million.

Dividends may be paid in the currency of the Sub-Fund concerned or in any other currency chosen by the Board of Directors, and will be paid at a time and place to be determined by the Board of Directors.

Dividend announcements and the name of the paying agent will be notified to the Shareholders and as may be required by applicable laws, published in a Luxembourg newspaper and in any other newspaper which the Board of Directors may decide.

Any dividend declared but not claimed by its beneficiary within five (5) years of its attribution, may no longer be claimed and will automatically revert to the Fund. No interest will be paid on any dividend declared by the Fund and kept by it at the beneficiary's disposal.

Interim dividends may be paid by decision of the Board of Directors.

14. DISTRIBUTORS AND NOMINEES

Distributors may be appointed for the purpose of assisting the Management Company in the distribution of the Shares in the Fund in the countries in which they are marketed (the "**Distributor**").

Certain Distributors may not offer all of the Sub-Funds/Classes of Shares or all of the subscription/redemption currencies to their customers. Customers are invited to consult their Distributor for further details.

The Distributor or the Sub-Distributors may provide a nominee service for investors purchasing Shares through them. Such investors may, at their discretion, elect to make use of such service pursuant to which the nominee will hold Shares in its name for and on behalf of the investors who shall nevertheless be entitled, at any time, to claim direct title to the Shares and who, in order to empower the nominee to vote at any general meeting of Shareholders, shall provide the nominee with specific or general voting instructions to that effect. Notwithstanding the above, the investors retain the ability to invest directly in the Fund, without using such nominee services.

Shareholders may subscribe for Shares by applying directly to the Fund without having to act through one of the Distributors/ Nominees.

Distributors and Nominees are banks or financial intermediaries that pertain to a regulated group headquartered in an Equivalent Country which applies FATF provisions regarding the prevention of money laundering and terrorism financing to all its subsidiaries and affiliates.

A list of the Distributors and Nominees shall be at disposal at the Fund's registered office.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general shareholders' meetings if the investor is registered himself and in his own name in the Shares' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

15. FEES AND EXPENSES

15.1. FEES AND EXPENSES BORN BY THE FUND

15.1.1. Management Company, Portfolio Management and Domiciliation and Administration Fees Risk Management

The Management Company is entitled to receive from each Sub-Fund a management company fee of max **0.075%** per year, based on the net assets of the Sub-Fund with a minimum of EUR 15 000 per Sub-Fund per year. The fee will be calculated on the monthly average of the total assets under management of the previous month. The fee will be payable monthly in arrears.

The Management Company is entitled to receive a maximum portfolio management fee **0.075%** per year, based on the net assets of the Sub-Fund with a minimum of EUR 20 000 per Sub-Fund per year. This fee will be payable monthly in arrears.

The Management Company is also entitled to receive from each Sub-Fund a domiciliation fee amounting of EUR 3 500 per year. This fee will be payable yearly.

The Management Company is further entitled to receive from each Sub-Fund an administration maximum fee of 0.06% based on the net assets of the Sub-Fund with a minimum of EUR 24 000 per Sub-Fund per year. This fee will be payable monthly in arrears. The Management Company is entitled to receive from each Sub-Fund a Risk Management fee amounting of EUR 9000 per year. This fee will be payable monthly in arrears.

15.1.2. Investment Advisor Fee

The Investment Advisor is entitled to receive from the Fund a maximum fee of 0.05% based on the net assets of the Sub-Fund per year per share class.

15.1.3. Placement Agent Fee

The Placement Agent is entitled to receive the following fee based on the net assets of the Sub-Fund per year for:

- 1.2% for R and I share classes and
- 0.8% for PI share class.

15.1.4. Performance Fee

In addition, the Fund will pay for all classes to the Management Company a performance fee.

The Investment Advisor and/or financial intermediaries in connection with the distribution and/or placing of the Fund's Shares may be entitled to a retrocession payment on the performance fee net of VAT, if applicable.

Investors must be aware that the performance fee is based on the realised and unrealised profits. It should therefore be understood that some elements which are taken into account in the calculation of the performance fee may not be definite at the time of such calculation as the unrealised profits may represent a large portion of the profit taken into account in the calculation of the performance fee.

15.1.5. Depositary Fees and Paying Agency Fees

The Depositary will receive a depositary fee of maximum **0.05%** calculated on the basis of the Net Asset Value of the Fund at the end of each month and payable each month, plus a fixed commission per transaction.

Further the Depositary will receive an additional supervisory UCITS V fee of 0.005% calculated on the basis of the Net Asset Value of the Fund at the end of each month and payable each month with a minimum of EUR 2,500 per year and per Sub-Fund.

Furthermore, the Depositary charges a fee per transaction on securities. In addition, the Depositary is entitled to be reimbursed by the Company its reasonable out-of-pocket expenses and the fees charged to it by any correspondent bank or other agent (including any clearing system).

15.1.6. Registrar and Transfer Agent Fees

EFA is entitled to receive from each Sub-Fund a registrar and transfer agency flat fee of EUR 6000 per year and an additional fee per share class (starting from the second share class) of EUR 500.

EFA is further entitled to receive transaction-based fees.

15.1.7. Directors

Each Director is entitled to an annual remuneration of 15.000 EUR + VAT p.a., if applicable.

15.1.8. Others expenses

The Fund bears other expenses including without limitation out-of-pocket expenses of its directors including their insurance cover, the Independent Auditor, any legal adviser, the costs of printing and distributing annual and semi-annual reports this Prospectus and KIIDs, advertising expenses, the costs related to the rating of the different Sub-Funds, governmental taxes due by the Fund, as well as the costs of registration and maintaining the registration with all government authorities (**including the costs of paying and information agents and the costs of local representatives**) and of listing the Fund's Shares on Stock Exchanges.

The Management Company, the Depositary and their appointees are entitled to recover reasonable out-of-pocket expenses incurred in the performance of their duties for the Fund out of the assets of the Fund.

The Fund bears the cost of buying and selling portfolio securities and brokerage fees.

All expenses are taken into account in the determination of the Net Asset Value per Share of each Sub-Fund.

Fees and expenses not attributable to any particular Sub-Fund are defrayed among the different Sub-Funds pro rata of their respective net assets. Fees and expenses are charged initially to investment income of the Sub-Fund concerned. Fees and expenses attributable to a specific Sub-Fund are charged directly to that Sub-Fund. The assets of a specific Sub-Fund are only liable for the obligations and liabilities related to the concerned Sub-Fund.

The organisation expenses of the Fund were amortised over the first five (5) accounting years. These expenses have been divided in equal parts between the Sub-Funds in existence, six (6) months after the end of the initial offering period. In case where further Sub-Funds are created in the future, these Sub-Funds will bear their own formation expenses.

16. TAXATION

This summary is based upon the legal and regulatory texts which are in force on the date of this Prospectus and which are subject to modification. The attention of potential investors is also drawn to the fact that the description of tax questions likely to concern investors wishing to hold Shares in the Fund is not exhaustive. Potential investors are advised to check and take advice on the laws and regulations which may apply to them when subscribing to, buying, holding, transferring or selling Shares in their place of origin, transaction, residence or domicile.

16.1. THE FUND

The Fund is not liable to any Luxembourg income tax nor are dividends paid by the Fund (if any) liable to any Luxembourg withholding tax. The Fund is, however, liable in Luxembourg to a subscription tax of 0.05 % per annum of its net assets, payable quarterly on the basis of the value of the net assets of ordinary Shares in the Fund, and 0.01 % per annum of its net assets, payable quarterly on the basis of the value of the net assets of institutional Shares of the Fund at the end of each quarter except for the portion of assets already submitted to that tax. Except for an initial capital duty of EUR 1,250 which was paid upon incorporation, no stamp or other tax is payable in Luxembourg on the issue of Shares.

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

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

16.2. THE SHAREHOLDERS

Distributions made by the Fund and income, dividends, other distributions and capital gains received by a Shareholder resident in Luxembourg or abroad are not subject to a Luxembourg withholding tax.

16.2.1. Taxation of individual resident Shareholders

The capital gains made by an individual resident Shareholder holding or having held, directly or indirectly, more than 10% of the capital of the Fund or holding the Shares for six (6) months or less before the transfer of such Shares and the dividends received by an individual resident Shareholder may be subject to taxation in Luxembourg.

An individual resident Shareholder is not subject to a wealth tax in Luxembourg.

Under present Luxembourg tax law, in the case where an individual resident shareholder is a resident for tax purposes in Luxembourg, (i) the Shares he holds at the time of his death are included in his taxable estate for inheritance tax purposes and (ii) a gift tax may be due on a gift or donation of his Shares, if the gift is recorded in a Luxembourg deed.

16.2.2. Corporate resident shareholders

Unless a tax allowance or exemption applies, the capital gains realised and the dividends received by a corporate shareholder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Shares are attributable, are subject to taxation in Luxembourg.

Unless a tax allowance exemption applies, a corporate shareholder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a

permanent representative in Luxembourg to which such Shares are attributable, is subject to Luxembourg wealth tax on such Shares.

16.2.3. Taxation of non-resident Shareholders

Except as provided for under the Luxembourg law of 21 June 2005 (the **EUSD Law**) implementing the EU Council Directive 2003/48/EC on taxation savings income in form of interest payments (the **Savings Directive**), a non-resident Shareholder is not subject to any income, withholding, estate, inheritance or other taxes in Luxembourg.

The European Savings Directive has been implemented in Luxembourg by the law dated 21 June 2005, as amended (the "2005 Law"). The European Savings Directive requires Member States of the European Union ("EU Member States") to provide the tax authorities of other EU Member States with details of payments of interest or similar payments paid by a paying agent (as defined by the European Savings Directive) within its jurisdiction to an individual resident in that other EU Member State. Austria and Luxembourg have elected to apply withholding tax in relation to such payments in lieu of exchange of information for a transitional period. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the same transitional period, withholding tax. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. The Luxembourg government has however announced that it will elect out of the withholding system in favour of the automatic exchange of information with effect as from 1 January 2015.

The rate of withholding tax in Luxembourg on payments in scope of the Directive is 35%.

It is presently expected that, in respect of those Portfolios whose investment policy provided for the investment of less than 15% of their net assets in debt claims, dividends distributed and capital gains realized by Shareholders on the disposal of Shares will not be subject to any reporting or withholding.

In respect of those Portfolios whose investment policy provides for the investment of less than 25% of their net assets in debt claims, it is presently expected that dividend distributions will be subject to reporting or withholding whereas capital gains realized on the disposal of Shares will not be subject to any reporting or withholding. In respect of Portfolios investing more than 25% of their net assets in debt claims, dividend distribution and capital gains realized on the disposal of Shares are likely to be subject to reporting or withholding in accordance with the terms of each law which will implement the Directive.

In the case where dividend distributions or capital gains are subject to reporting or withholding pursuant to the rules laid down above, the Registrar and Transfer, and Paying Agent will not calculate the proportion of dividend distributions or capital gains which derive from interest payments and therefore the total amount of such dividend distributions or capital gains shall, pursuant to the Directive, be considered as a payment of interest for reporting or withholding purposes.

Withholding tax applied in Luxembourg under the European Savings Directive is not a final taxation and does not relieve the Investor from any responsibilities to declare income or capital gains to the relevant tax authority in his/her country of residence. Any withholding tax levied under the European Savings Directive may be creditable against the Investor's personal tax liability, subject to the laws in his/her country of residence.

The Shareholder may also be subject to taxation in his country of residence under the laws and regulations applicable to him and with which he must comply. Potential investors are advised to check the tax obligations in force in their country of residence.

16.2.4. FATCA

The Foreign Account Tax Compliance Act ("FATCA"), which is an amendment to the U.S. Internal Revenue Code, was enacted in the United States in 2010 and many of the operative provisions are effective as of 1 July 2014 already. Generally, FATCA requires financial institutions outside the US ("foreign financial institutions" or "FFIs") to provide the U.S. Internal Revenue Service ("IRS") with information about financial accounts held directly or indirectly by certain specified US persons. A 30% withholding tax is imposed on certain types of US source income paid to an FFI that fails to comply with FATCA. 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 Fund would hence have to comply with such Luxembourg IGA, once the IGA has been implemented into Luxembourg law in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the IGA, the Fund will be required to collect information aiming to identify its direct and indirect Shareholders that are US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Fund 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 Fund intends to comply with the provisions of 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 Fund. The Fund will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA places upon it. As from the date of signature of the Luxembourg IGA and until the Grand Duchy of Luxembourg has implemented the national procedure necessary for the entry into force of the IGA, the United States Department of the Treasury will treat the Fund as complying with and not subject to the FATCA Withholding.

To ensure the Fund's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Fund 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 Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA;

c. report information to the Luxembourg tax authorities concerning payments to account holders with the FATCA status of non-participating foreign financial institution; and

d. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA and the Luxembourg IGA, if applicable, from 2017 or later.

17. The Financial Industry Regulatory Authority ("FINRA") Rules

The Fund may either subscribe to classes of shares of target funds likely to participate in offerings of US new issue equity securities ("US IPOs") or directly participate in US IPOs. The Financial Industry Regulatory Authority ("FINRA"), pursuant to FINRA rules 5130 and 5131 (the "Rules"), has established prohibitions concerning the eligibility of certain persons to participate in US IPOs where the beneficial owner(s) of such accounts are financial services industry professionals (including, among other things, an owner or employee of a FINRA member firm or money manager) (a "restricted person"), or an executive officer or director of a U.S. or non-U.S. company potentially doing business with a FINRA member firm (a "covered person").

Accordingly, investors considered as restricted persons or covered persons under the Rules are not eligible to invest in the Fund.

In case of doubts regarding its status, the investor should seek the advice of its legal adviser.

18. LIQUIDATION, TERMINATION AND AMALGATION

18.1. LIQUIDATION OF THE FUND

In case of liquidation of the Fund, the liquidation procedure shall occur in accordance with the provisions of the 2010 Law and the Luxembourg law of 10 August 1915 on commercial companies, as amended.

The Fund can be dissolved:

1) by decision of the general meeting of Shareholders with the quorum and majority required as if to amend the Articles;

2) if the share capital of the Fund is less than two thirds of the minimum capital, the Board of Directors must submit the question of its dissolution to the general meeting, deliberating without condition of presence and deciding by a simple majority of the Shares represented at the meeting; or

3) if the share capital of the Fund is less than a quarter of the minimum capital, the dissolution can be pronounced by the Shareholders owning a quarter of the Shares represented at the meeting.

The notice convening the meeting under 2) and 3) above must be given in such a way that the meeting is held within a period of forty (40) calendar days following the date on which it is established that the net assets have fallen to respectively two thirds or a quarter of the minimum capital.

In the event of liquidation, all Shares carry the right to an equal pro-rata of the liquidation proceeds of the Sub-Fund to which the Shares belong. Any liquidation proceeds that have not been distributed by the close of the liquidation shall be deposited with the "*Caisse des Consignations*" in Luxembourg and held there at the disposal of the rightful shareholders until the expiry of the period of limitation.

The decisions of the general meeting of Shareholders or of the Court pronouncing the liquidation of the Fund are published if required in accordance with applicable laws.

18.2. LIQUIDATION OF ONE OR MORE SUB-FUNDS OF THE FUND

The Board of Directors may decide at any time to close of one or more Sub-Funds of the Fund in the following events:

- if the net assets of the any Sub-Fund has not reached, or has decreased, to a minimum amount, to be the minimum level for such Sub-Fund to be operated in an economically efficient manner; or
- if the political and/or economic environment happens to change; or
- if an economic rationalization is needed.

This decision of liquidation has to be notified to the concerned shareholders according to the applicable rules. The notification must give details on the reasons and the terms of the liquidation procedure.

Except if otherwise decided by the Board of Directors, the Fund is allowed to continue to redeem the Shares of the Sub-Fund the liquidation of which has been decided until this decision of liquidation will be executed. For these redemptions the Fund must apply the Net Asset Value, which takes into account the liquidation fees without any reduction of redemption fees. The formation expenses must be completely written off as soon as a decision to liquidate has been taken.

Amounts unclaimed by Shareholders on the closure of the liquidation of a Sub-Fund or Sub-Funds shall be deposited with the "*Caisse de Consignations*" and held at the disposal of the rightful Shareholders for the period prescribed by law.

The annual report which relates to the Financial Year during which the decision to liquidate has been taken, has to mention explicitly such decision and give the details on the evolution of the liquidation procedure.

18.3. MERGER OF ONE OR MORE SUB-FUNDS OF THE FUND

Any merger of a Sub-Fund with another Sub-Fund of the Fund or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors, unless the Board of Directors decides to submit the decision for the merger to the general meeting of Shareholders of the Sub-Fund concerned. In the latter case, no quorum will be required for this meeting and the decision for the merger shall be taken by a simple majority of the votes cast.

In the case of a merger of a Sub-Fund where, as a result, the Fund ceases to exist, the merger shall, notwithstanding the foregoing, be decided by a meeting of Shareholders for which no quorum is required and at the simple majority of the votes cast.

Any decision to merge taken by the Board of Directors will be notified to the relevant Shareholders in accordance with the provisions of the 2010 Law and any applicable regulations. Such notification shall be provided at least thirty days (30) before the term for requesting repurchase or redemption of Shares or, as the case may be conversion without additional charge other than those retained by the Fund to meet disinvestment costs, as foreseen by article 73 of the 2010 Law.

18.4. LIQUIDATION OF A FEEDER

Feeder can be dissolved:

1) when the Master is liquidated, unless the CSSF grants approval to the Feeder to:

   (i) invest at least 85% of the assets in units of shares of another Master; or

   (ii) amend its investment policy in order to convert into a non-Feeder.

2) when the Master merges with another UCITS or sub-fund or is divided into two or more UCITS, or sub-funds unless the CSSF grants approval to the Feeder to:

(i) continue to be a Feeder of the same Master or the Master resulting from the merger or division of the Master;

(ii) invest at least 85% of its assets in units or shares of another Master not resulting from the merger or the division; or

(iii) amend its investment policy in order to be converted into a non-Feeder.

19. GENERAL INFORMATION

19.1. THE SHARES

Subject to the following provisions, the Shares in the Fund are freely transferable. They carry neither preferential rights nor any right of pre-emption. Each whole Share gives the right to one vote, whatever the Class of Shares it belongs to or its Net Asset Value, at each general meeting of the Shareholders. Fractions of Shares will not give a right to vote. The Shares are issued with no face value and must be fully paid up. There is no limit to the number of Shares issued by the Fund.

Within each Sub-Fund, different Classes of Shares are offered to the Shareholders,

Class R Shares,

Class I Shares

Class PI

Class R Shares are available for any kind of investors (including retail investors) directly investing in the Fund / its Sub-Funds.

Class I and the PI Shares are dedicated to institutional Shareholders (Institutional Shareholders may subscribe for their own account or for third party institutional shareholder accounts. Those latter must also be institutional Shareholders). Those Shares benefit from a reduced "*taxe d'abonnement*" in Luxembourg.

The Shares in any Class of Shares and/or Sub-Fund shall be only issued as registered Shares. The Shareholder will receive only a confirmation of his registration as shareholder.

The Fund shall not issue Share certificates.

Any registered Share may be issued under the form of a fractional Share (up to 4 decimals). Fractions of Shares will correspond to a part of the net assets and will entitle the Shareholder to a corresponding portion of the dividends that the Fund could decide to distribute as well as in case of liquidation.

Class I and the PI shares should not be authorized to convert into PR classes and PR classes should not be authorized to convert in I and PI classes.

Class R and the PR shares can only be converted in Class I and PI shares when the investors are institutional shareholders.

19.2. GENERAL MEETINGS

The annual general meeting of the Shareholders of the Fund will be held every year at the registered office of the Fund in Luxembourg, on the last Wednesday of November at 15:00 (or, should that day not be a Business Day, on the following Business Day).

Notice of all general meetings will be sent to all registered Shareholders at the address indicated in the Share register at least eight (8) calendar days before the General Meeting. These notices indicate the time and the place of the General Meeting, the conditions of admission, the agenda and the requirements of Luxembourg law with respect to quorum and the necessary majority. Requirements for convocation, attendance, quorum and voting at any General Meeting are those laid down in articles 450-1, 450-3 and 450-8 of the Luxembourg law of 10 August 1915 on commercial companies, as amended and in the Articles.

Resolutions taken at a General Meeting are binding on all Shareholders of the Fund, whatever Shares in the Sub-Fund or Class of Shares they may hold. However, in case decisions to be taken concern only the particular rights of the Shareholders of one Class of Shares or Sub-Fund, those decisions must be taken by a meeting representing the Shareholders of that Class of Shares or Sub-Fund. The requirements regarding such meetings are the same as those mentioned in the preceding paragraph.

Under the conditions set forth in Luxembourg law 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 the Shares issued and outstanding at midnight (Luxembourg time) on the fifth day prior to the general meeting (the **Record Date**), and therefore the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attaching to his/its/her Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

19.3. MANAGEMENT REPORTS, ANNUAL AND SEMI-ANNUAL FINANCIAL STATEMENTS

The latest annual reports approved by the Auditor and unaudited semi-annual reports are available at the Fund's registered office. The Financial Year of the Fund begins on 1 September of each year and ends on 31 August of the following year.

The accounts of the Fund will be expressed in EUR. The accounts of Sub-Funds expressed in different currencies will be converted into EUR and aggregated in order to establish the accounts of the Fund.

19.4. AVAILABLE DOCUMENTS

Copies of the following documents can be examined during banking hours on each Business Day at the Registered Office of the Fund at 6A rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg:

1) The management company services agreement between the Fund and ADEPA ASSET MANAGEMENT S.A.;

2) The depositary agreement between the Management Company, Quintet and the Fund;

3) The registrar and transfer agency agreement between European Fund Administration S.A. ,the Fund and the Management Company; and

4) The advisory agreement between the Management Company and the Investment Advisor.

Copies of the Articles, the current Prospectus, the KIIDs and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg.

The complaint handling policy of the Management Company is available on the website of the Management Company at: http://www.adepa.com/third-party-fund-management-company/regulatory-section/

The conflict of interest procedure, the best execution policy and the strategy of voting rights policy of the Management Company may be requested to the following e-mail address: compliance@adepa.com and will be made available free of charge.

19.5. OFFICIAL LANGUAGE

The original version of this Prospectus and of the Articles is in English. However, the Board of Directors may consider that these documents must be translated into the languages of the countries in which the Shares are offered and sold. In case of any discrepancies between the English text and any other language into which the Prospectus and the Articles of the Fund are translated, the English text will prevail.

PART II –SUB-FUND`S CHARACTERISTICS

1. SIFTER FUND - Global

1.1. INVESTMENT POLICY

SIFTER FUND Global's investment objective is to provide steady long-term capital appreciation, measured in EUR, through investment in listed equities issued by companies around the world. The long-term goal is an annual capital appreciation that depends on potential economic growth but that should be more than 8 per cent.

The Sub-Fund`s investment strategy is to purchase equities globally, while focusing on companies with certain proprietary specifics, and without using any alternative or derivative instruments as part of its investment policy. Certain techniques and financial instruments will occasionally be used only for hedging foreign exchange exposure. The Sub Fund is a long only sub-fund which uses no leverage.

If an unusual systemic crisis appears, the Sub-Fund may temporarily switch part of its portfolio into cash and other liquid assets within the limits provided in Part I Clause 8 "Investment Restrictions".

The Sub-Fund's investment strategy is based on a consistent company analysis involving a two-tiered process:

The first tier of analysis of the Management Company involves a screening of its global investment universe that aims to retain only "quality" businesses. This means that companies must fulfil strict set of criteria in order to pass the first sifter. This set of criteria has been developed by in-house investment professionals over the past 25 years based on their experience in listed and unlisted equities. The most important investment policy criteria include: return on capital employed, free cash flow generation or leverage, through the Economic cycle (among others).

This above mentioned process is helped by a sophisticated and proprietary stock monitoring software (Stocksifter™), which involves a systematic and disciplined stock screening strategy developed and constantly fine-tuned over the past 25 years.

(Stocksifter™) provides the Sub-Fund with real-time rankings of 15,000 quoted companies in the world.

As a result, the Sub-Fund`s Management Company can monitor stocks globally and rapidly spot potential candidates.

Stocksifter converts different accounting conventions into a uniform one, which ensures that valuation parameters are consistent with, and comparable to, each other.

Stocksifter allows the Management Company to screen stocks in real-time by sector, by country, by seize, by sales growth, or by any other valuation or relevant measures.

Secondly, once the screening process has been completed, the analysis of the "potentially worthy" equities is based on extensive bottom-up research focusing on company fundamentals (a fundamental value philosophy).

The Management Company analyses companies by looking at variables that influence economic performance over the long term, by assessing intrinsic characteristics such as return (cash) of invested capital (ROIC) or growth of invested capital, organic growth potential through the economic cycle, normalized free cash flow generation, ability of the company to increase prices taking into account Industry entry barriers, operating margins evolutions and drivers, recurring profit, etc. The Management Company is agnostic to the forecasts or behavior of other investors or the relevance of short term analysis (e.g. the next twelve months earnings per share growth).

In this second tier process, the Sub-Fund looks for a company with an efficient business model, a strong and competitive position in its industry, supported by a sound strategy. Valuation is approached with a "safety margin", particularly for volatile ROIC/growth firms. Companies with the largest gap between their current market price and their determined intrinsic value are chosen.

The Sub-Fund will primarily invest in well-managed companies with a liquid stock and a market capitalization of more than EUR 200 million.

1.2. REFERENCE CURRENCY

The Net Asset Value of this Sub-Fund is expressed in EUR.

1.3. SUBSCRIPTIONS AFTER THE INITIAL SUBSCRIPTION PERIOD

Applications must be received by the Fund no later than 5:00 p.m. Luxembourg time preceding the applicable Valuation Day.

The Net Asset Value per Share as of the applicable Valuation Day will be calculated as defined in Part II Clause 1.9 "*NAV Calculation and Dealings*" below.

Requests for subscription received after such deadline will be deferred to the next Valuation Day.

Payment procedure

Payment of the Subscription Price must be made in cleared funds at the latest on the third Business Day following the relevant Valuation Day.

Any taxes and duties levied in connection with the subscription of Shares in the Fund in certain countries (if any) shall be charged to the Shareholder concerned.

1.4. REDEMPTIONS

Redemption applications must be received by the Fund no later than 5:00 p.m. Luxembourg time on the Business Day preceding the applicable Valuation Day.

The Net Asset Value per Share as of the applicable Valuation Day will be calculated as defined in Part II Clause 1.9 "*NAV Calculation and Dealings*" below.

Requests for redemptions received after such deadline will be deferred to the next Valuation Day.

Payment procedure

Payment of the Redemption Price must be made in cleared funds on the third Business Day from the relevant Valuation Day.

1.5. CLASSES OF SHARES AND APPLICABLE FEES

Share Classes	R-Class	I-Class	PI- Class
Subscription Commission*	max 1,5%	Max. 0,5%	N/A
Redemption Fee	Max. 1.5%	Max.0,5%	N/A
Management Company Fee**	Max 0.075%	Max 0.075%	Max 0.075%
Investment Management Fee	Max 0.075%	Max 0.075%	Max 0.075%
Investment Advisor Fee	0.05%	0.05%	0.05%
Placement Agent Fee	1.2%	1.2%	0.80%
Dividend Policy	Accumulation Shares	Accumulation Shares	Accumulation Shares

Minimum Initial Subscription Amount	EUR 100,000	EUR 500,000	EUR 5,000,000
Performance Fee	Yes. Please see below	Yes. Please see below	Yes. Please see below

*for the benefit of the appointed intermediary interfering in the distribution and or private placement of the Sub-Fund`s share class

**The annual minimum Fee of the Management Company Fee is EUR 15 000.

1.6. PERFORMANCE FEE

The Performance Fee is payable for all share classes and is based on the last NAV per Share calculated at the end of each calendar quarter (the **Last Quarterly NAV**).

As the Administrator discontinued the calculation of EURIBOR 12 MONTH ACT 365 (EUCV12M) as from February 1st, 2019, it has been decided to replace it by the EURIBOR 12 MONTH ACT 360 (EUR012M) as from this date.

If the NAV per Share appreciates during the quarter by more than 1,25%, or by the Euribor (12 month) rate Bloomberg (BBG) code EUR012M applicable at the beginning of the quarter for the quarter, whichever is higher, (the Hurdle Rate), relative to the latest All Time High NAV per share, the Management Company is entitled to receive 15 % of the increase of appreciation of the NAV per Share in excess of the Hurdle Rate.

The All Time High NAV per share is always the latest NAV per share based on which a Performance Fee has been paid.

The performance fee will only be payable if the Last Quarterly NAV per Share has reached the latest All Time High NAV per share and has surpassed it by the Hurdle Rate (High Water Mark system).

The performance fees will be payable on the outstanding Shares at the end of the relevant quarter and become due for payment after the end of the quarter.

For the purpose of calculating the performance fee, the NAV per Share will be calculated by the Management Company on the relevant Business Day by determining the NAV of the Sub-Fund by the method outlined in Part I, Clause 10.1 "NAV Determination", divided by the number of Shares in issue on that Business Day.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. This adjustment is applied to the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during such period.

If any Shares are redeemed or converted into Shares of another Sub-Fund during the calculation period, the cumulative performance fee accrued during the calculation period in respect of those Shares shall be crystallized and become payable to the Management Company, even if no accrual for performance fees is otherwise due, after the end of the relevant quarter.

For distribution Shares, if a dividend was distributed during the relevant Financial Year, this dividend per Share is added to the current NAV per Share in order to determine the variation of NAV to be taken into account.

Benchmark Regulation

The Benchmark is used for the calculation of the performance fee. 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 Administrator is not yet included in the Register of Administrator held by the ESMA and shall apply for authorization or registration to the competent authority before the end of the transitional period ending on 1 January 2020. Once the administrator included in the Register, the Prospectus will be amended accordingly.

According to art 28-2 of benchmark regulation, the Management Company has produced and maintains 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.

1.7. PROFILE OF TYPICAL INVESTOR

The Sub-Fund is suitable for investors who want to achieve long-term growth of capital and who can afford to set aside the capital for at least 3-5 years.

Investments of the Fund are subject to market fluctuations and there is a risk for the investor to eventually recover a lower amount than the invested one. A detailed description of the risks linked to the investments is described in the Part I of the Prospectus.

1.8. RISK PROFILE OF THE SUB-FUND

The Sub-Fund is appropriate for long-term investment with risks mainly linked to the equities market.

DISCLAIMER: For the historical performance of the Sub-Fund, please refer to the KIID relating to the relevant Shares. Past performance is not indicative of future results. The price of the Shares and the income from them may fall as well as rise. Accordingly, there is no guarantee that investors will recover the total amount initially invested. There can be no assurance that the Sub-Fund will achieve its objectives.

1.9. NAV CALCULATION AND DEALINGS

The Net Asset Value of the Sub-Fund is calculated each Business Day (**Valuation Day**) based on the last prices available preceding such Valuation Day.

1.10. CALCULATION METHOD TO CALCULATE THE GLOBAL EXPOSURE

For the calculation of the global exposure in connection with the use of derivatives the Sub-Fund is using the commitment approach.

1.11. INVESTMENT ADVISOR

ADEPA ASSET MANAGEMENT S.A. acts as Management Company of the Fund and has not delegated the day-to-day investment management activity to third parties for this Sub-Fund.

The Management Company has appointed Sifter Capital OY a company incorporated under Finnish law, having its registered office at Kasarmikatu 14 A 3, 00130 Helsinki, Finland as its sole Investment Advisor with effect as of 1 September 2019.