

# PROSPECTUS

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## RAYMOND JAMES FUNDS

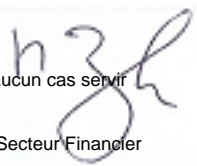
*Société d'Investissement à Capital Variable*  
established in Luxembourg

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**31 December 2022**

VISA 2023/171923-8193-0-PC

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2023-01-09  
Commission de Surveillance du Secteur Financier



## IMPORTANT INFORMATION

**If you are in doubt as to the contents of this prospectus or any other document relating to Raymond James Funds you should consult your financial adviser, stockbroker, bank manager, solicitor, accountant or other professional adviser.**

Raymond James Funds (the “**Company**”) is an investment company organised under the laws of the Grand-Duchy of Luxembourg as a *société d’investissement à capital variable* governed by Part I of the UCI Law and qualifies as a UCITS.

The Directors, whose names appear below, accept responsibility for the information contained in this document. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts, the omission of which would make misleading any statement herein whether of fact or opinion. The Directors accept responsibility accordingly. No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus or any other document approved by the Company and such information or representations, if given or made, must not be relied on as having been made by the Company.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

This Prospectus is based on information, law and practice currently in force in Luxembourg (which may be subject to change) at the date hereof. The Company cannot be bound by an out-of-date Prospectus when it has issued a new Prospectus and investors should check with the Administrator that this is the most recently published Prospectus.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. The creation of new Funds requires the prior approval of the CSSF. If there are different classes of Shares representing a Fund, details relating to the separate classes may be dealt with in the same Supplement or in a separate Supplement for each class. The creation of further classes of Shares will be effected in accordance with the requirements of the CSSF. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the key investor information document (the “**KIID**”). The latest audited annual report and accounts and the latest unaudited semi-annual report may be obtained from the offices of the Administrator. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

This Prospectus, any Supplements and the KIID may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus, Supplements and the KIID. To the extent that there is any inconsistency between the English language Prospectus, Supplement or KIID and the Prospectus, Supplement or KIID in another language, the English language Prospectus, Supplement or KIID will prevail except, that in proceedings based upon disclosure in a prospectus or a KIID in a language other than English, the language of the Prospectus, Supplement or KIID on which such action is based shall prevail to the extent required by the law of any jurisdiction where the Shares are sold.

Further copies of this Prospectus and the latest KIID may be obtained from the Administrator. A copy of the latest KIID will also be available at [www.gaylussacgestion.com](http://www.gaylussacgestion.com).

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does

not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

**Luxembourg** - The Company is registered pursuant to Part I of the UCI Law. However, such registration does not represent a guarantee from any Luxembourg authority on the adequacy or accuracy of the content of this Prospectus or the assets held in the various Funds. Any representations to the contrary are unauthorised and unlawful.

The Company may make applications to register and distribute its Shares in jurisdictions outside Luxembourg and may be required to appoint payment agents, representatives, distributors or other agents in the relevant jurisdictions.

**European Union** - The Company is a UCITS for the purposes of the UCITS Directive and the Directors propose to market the Shares in accordance with the UCITS Directive in certain member states of the EU and in countries which are not member states of the EU.

**Non-European Union** - As at the date of this Prospectus, the Directors expect to apply to register the Company in Singapore and may apply to register and distribute the Shares of each Fund in other jurisdictions.

**United States** – The Shares may not be offered, sold or delivered directly or indirectly in the US or to or for the account or benefit of any US Person. The Shares have not been and will not be registered under the 1933 Act or the securities laws of any of the United States. The Shares are being offered outside the US pursuant to the exemption from registration under Regulation S under the 1933 Act. The Company has not been and will not be registered under the United States Investment Company Act of 1940.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, switch, redemption or disposal of the Shares of the Company.

The Articles give powers to the Directors to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Directors might result in the Company incurring any liability or taxation or suffering any other disadvantage which the Company may not otherwise have incurred or suffered. The Company may compulsorily redeem all Shares held by any such person.

Complaints concerning the operation or marketing of the Company may be referred to the Management Company. Complaints should be addressed to: the registered office of the Management Company.

**Investors should read and consider the section entitled “Risk Factors” before investing in the Company. The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from taxation may change. There can be no assurance that the investment objectives of any Fund will be achieved.**

## **DIRECTORY**

**Raymond James Funds**  
*Société d'Investissement à Capital Variable*

### **Registered Office**

4, rue Petermelchen L-2370 Howald  
Grand Duchy of Luxembourg

### **Directors**

Mark ABBOTT, Managing Director, Raymond James & Associates, Inc., chairman of the Board of Directors

Yvan MARX, independent director

Thomas SEALE, independent director

Olivia TOURNIER-DEMAL, independent director

Eric WILWANT, Senior Vice President and Chief Operating Officer of Carillon Tower Advisers and Eagle Asset Management

### **Management Company**

Gay-Lussac Gestion  
45 avenue George V  
75008 Paris  
France

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

Emmanuel Laussinotte  
Aurélia Lunet de la Malène

### **Depositary**

Société Générale Luxembourg  
11, avenue Emile Reuter  
L-2420 Luxembourg  
Grand-Duchy of Luxembourg

### **Administrator**

Société Générale Luxembourg  
Operational center:  
28-32, Place de la gare  
L-1616 Luxembourg  
Grand-Duchy of Luxembourg

### **Legal Adviser**

Arendt & Medernach  
41A, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand-Duchy of Luxembourg

### **Auditor**

ERNST & YOUNG  
35<sup>E</sup>, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand-Duchy of Luxembourg

<b>IMPORTANT INFORMATION.....</b>	<b>ii</b>
<b>DIRECTORY.....</b>	<b>iv</b>
<b>DEFINITIONS .....</b>	<b>7</b>
<b>THE COMPANY AND THE FUNDS .....</b>	<b>15</b>
<b>DIRECTORS.....</b>	<b>19</b>
<b>MANAGEMENT COMPANY.....</b>	<b>20</b>
<b>ADMINISTRATOR.....</b>	<b>23</b>
<b>DEPOSITARY.....</b>	<b>24</b>
<b>SUBSCRIPTIONS.....</b>	<b>26</b>
<b>TRANSFER OF SHARES.....</b>	<b>28</b>
<b>REDEMPTIONS.....</b>	<b>29</b>
<b>SWITCHING BETWEEN FUNDS OR CLASSES.....</b>	<b>31</b>
<b>VALUATION .....</b>	<b>33</b>
<b>FEES AND EXPENSES.....</b>	<b>38</b>
<b>TAXATION.....</b>	<b>41</b>
<b>RISK MANAGEMENT PROCESS.....</b>	<b>45</b>
<b>SUSTAINABLE INVESTMENT POLICY.....</b>	<b>46</b>
<b>RISK FACTORS .....</b>	<b>48</b>
<b>CONFLICTS OF INTEREST .....</b>	<b>62</b>
<b>USE OF DEALING COMMISSIONS .....</b>	<b>63</b>
<b>CO-MANAGEMENT AND POOLING.....</b>	<b>64</b>
<b>GENERAL INFORMATION .....</b>	<b>65</b>
<b>APPENDIX 1: INVESTMENT RESTRICTIONS AND POWERS.....</b>	<b>71</b>
<b>SUPPLEMENT 1: REAMS UNCONSTRAINED BOND.....</b>	<b>81</b>
<b>SUPPLEMENT 2: EAGLE US SMALL CAP STRATEGY.....</b>	<b>95</b>
<b>SUPPLEMENT 3: Gay-Lussac Microcaps Europe.....</b>	<b>105</b>
<b>ART 8 PRE-CONTRACTUAL DISCLOSURE - Eagle US Small Cap Strategy.....</b>	<b>115</b>
<b>ART 8 PRE-CONTRACTUAL DISCLOSURE - Gay Lussac Microcaps Europe....</b>	<b>126</b>



## DEFINITIONS

“1915 Law”	the Luxembourg law of 10 August 1915 on commercial companies, as amended
“1933 Act”	the United States Securities Act of 1933 (as amended)
“Accumulation Shares”	Shares in respect of which income is accumulated and added to the capital property of a Fund
“Administration Agreement”	the administration agency agreement pursuant to which the Administrator is appointed to provide services with respect to the Company
“Administrator”	Société Générale Luxembourg
“Articles”	articles of incorporation of the Company
“Auditor”	ERNST & YOUNG
“Business Day”	any day when the banks are fully open in Luxembourg and/or such other place or places and such other day or days as the Directors may determine, provided always that Shareholders will be informed prior to any decision by the Directors to deviate from the aforementioned definition which may impact them
“Class”	a class of Shares in a particular Fund
“Company”	Raymond James Funds
“CRS”	the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the CRS Law
“CRS Law”	the Luxembourg law of 18 December 2015 on the Common Reporting Standard
“CSSF”	the Luxembourg financial supervisory authority, currently the <i>Commission de Surveillance du Secteur Financier</i> , or its successor in charge of the supervision of undertakings for collective investment in the Grand-Duchy of Luxembourg
“Dealing Day”	In relation to a Fund, such day as specified in the relevant Supplement, or any such other day or days as the Directors may determine, provided always that Shareholders will be informed prior to any decision by the Directors to deviate from the aforementioned definition which may impact them

“Dealing Request Deadline”	such time in respect of any relevant Dealing Day as shall be specified in the relevant Supplement for that Fund or such other time as the Directors may determine provided always that Shareholders will be informed prior to any decision by the Directors to deviate from the aforementioned definition which may impact them. In any case, the Dealing Request Deadline cannot be later than the point as at which the Net Asset Value is determined for the relevant Dealing Day
“Depositary”	Société Générale Luxembourg
“Depositary Agreement”	the depositary agreement pursuant to which the Depositary is appointed to provide services with respect to the Company
“Directors”	the members of the Board of Directors of the Company for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time
“Distribution Shares”	Shares in respect of which income is distributed periodically to Shareholders
“Distributor”	Any person or entity duly appointed from time to time to distribute or arrange for the distribution of Shares
“ESG”	means Environmental, Social and Governance; these criteria are commonly used to assess the level of sustainability of an investment
“ESMA”	the European Securities and Markets Authority or its successor authority
“ESMA Guidelines 2012/832”	means the guidelines on ETFs and other UCITS issues published on 18 December 2012 by ESMA (ESMA/2012/832) as implemented in Luxembourg and entered into force on 18 February 2013 as may be amended, supplemented and/or implemented from time to time
“ERISA”	the United States Employee Retirement Income Security Act of 1974, as amended
“EU”	the European Union
“FATCA”	the provisions of the US HIRE Act generally referred to as the Foreign Account Tax Compliance Act



“Fund”	a sub-fund of the Company established by the Directors from time to time with the prior approval of the CSSF, in accordance with article 181 of the UCI Law, representing a segregated pool of assets invested in accordance with the investment objective and investment policies applicable to such sub-fund and as described in the relevant Supplement
“Group of Companies”	companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts and according to recognised international accounting rules, as amended
“Ineligible Investor”	<p>any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the Directors, might:</p> <p>(a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or</p> <p>(b) require the Company, the Management to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its Shares in the United States or any other jurisdiction; or</p> <p>(c) cause the Company, its Shareholders or the Management Company any legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company, its Shareholders or the Management Company, as appropriate, might not otherwise have incurred or suffered; or</p> <p>(d) result in the holding of Shares by a US Person (legally or beneficially)</p>
“Initial Offer Period”	the period set by the Directors in relation to any Fund or Class of Shares as the period during which Shares are initially on offer and as specified in the relevant Supplement
“Initial Offer Price”	the initial price payable for a Share as specified in the relevant Supplement for each Fund

“Institutional Investor”	<p>means an investor which is either:  professional investors as per MIFID II definition,</p> <ul style="list-style-type: none"> <li>- a credit institution investing its own funds or its clients’ funds under a discretionary management agreement;</li> <li>- a professional of the financial sector in the meaning of the law of 5 April 1993 on professionals of the financial sector as amended or equivalent rule abroad, investing its own funds or investing its clients’ funds under a discretionary management agreement;</li> <li>- Insurance and reinsurance companies investing own funds or investing funds collected under the unit-linked insurance products;</li> <li>- Life insurance companies investing funds collected under the unit-linked insurance products;</li> <li>- Investment funds;</li> <li>- Pension funds;</li> <li>- Sovereign wealth funds;</li> <li>- Central banks;</li> <li>- International or supranational organisations;</li> <li>- Industrial and financial groups investing own funds; or</li> <li>- Non-profit organisations investing own funds.</li> </ul> <p>Or public authorities (such as regions, provinces, cantons, municipalities);</p>
“Investment Manager”	<p>the Management Company or the investment manager which has been appointed by the Management Company as specified in the relevant Supplement for each Fund</p>
“IRS”	<p>the US Internal Revenue Service</p>
“Luxembourg”	<p>the Grand-Duchy of Luxembourg</p>
“Luxembourg GAAP”	<p>Luxembourg Generally Accepted Accounting Principles</p>
“Management Company”	<p>Gay-Lussac Gestion</p>
“Management Agreement”	<p>the management agreement pursuant to which the Management Company is appointed by the Company as management company of the Company</p>
“Member State”	<p>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 member states of the European Union</p>
“Minimum Holding”	<p>where applicable, the minimum holding for each class of Shares as specified in the relevant Supplement for each Fund</p>
“Minimum Additional Subscription”	<p>the minimum additional investment for each class of Shares as specified in the relevant Supplement for each Fund</p>
“Minimum Subscription”	<p>the minimum investment for each class of Shares as specified in the relevant Supplement for each Fund</p>

“Money Market Instruments”	instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time, and instruments eligible as money market instruments, as defined by guidelines issued by the CSSF from time to time
“Net Asset Value”	the net asset value of the Company, a Fund or a Class (as the context may require) as calculated in accordance with the Articles
“Net Asset Value per Share”	the Net Asset Value in respect of any Fund or Class divided by the number of Shares of the relevant Fund or Class in issue at the relevant time
“Non-Member State”	any state in Europe other than a Member State, in Africa, the Americas, Asia or Oceania
“OECD”	the Organisation for Economic Co-operation and Development
“Performance Fee”	where applicable, the performance fee which the Management Company may be entitled to receive from the Company in respect of a Fund, as described in the relevant appendix to the Prospectus and Supplement
“Prospectus”	this Prospectus, as may be amended or supplemented from time to time
“Redemption Price”	the price per Share at which Shares are redeemed or calculated in the manner described under section “Redemptions” below
“Reference Currency”	the base currency of the Company, the relevant Class or the relevant Fund, as the case may be
“Regulated Market”	a market in the meaning of Directive 2014/65/EU of the EC Parliament and Council on markets in financial instruments, namely a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of the Directive 2014/65/EU
“SFDR”	the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended or supplemented from time to time
“Share” or “Shares”	shares of any Class in the Company as the context requires

“Share Class” or “Class of Shares” or “Class”	all of the Shares issued by the Company as a particular class of Shares relating to a single Fund
“Shareholder”	a holder of Shares in the Company
“Subscription Price”	the price per Share at which Shares may be issued after the close of the Initial Offer Period calculated in the manner described under section “Subscriptions” below
“Supplement”	a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes
“SEC”	the U.S. Securities and Exchange Commission, which is the U.S. financial supervisory authority, or its successor
“Taxonomy Regulation”	Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, as may be amended or supplemented from time to time
“Transferable Securities”	means:  shares and other securities equivalent to shares (“ <b>shares</b> ”);  bonds and other debt instruments (“ <b>debt securities</b> ”); and  any other negotiable securities that carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as Techniques and Instruments as described in Appendix 1 of this Prospectus
“UCI(s)”	undertaking(s) for collective investment
“UCI Law”	the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time
“UCITS”	an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive
“UCITS Directive”	the Directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time
“United States”, “US” or “USA”	the United States of America (including the States and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction
“US HIRE Act”	the United States Hiring Incentives to Restore Employment Act

“US Person”

any “U.S. person” as set forth in Regulation S promulgated under the 1933 Act, as may be amended from time to time. Regulation S currently provides that “U.S. person” means:

- (1) any natural person resident in the United States;
- (2) any partnership or corporation organized or incorporated under the laws of the United States;
- (3) any estate of which any executor or administrator is a U.S. person;
- (4) any trust of which any trustee is a U.S. person;
- (5) any agency or branch of a non-US entity located in the United States;
- (6) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (7) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (8) any partnership or corporation if (i) organized or incorporated under the laws of any non-US jurisdiction and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

“U.S. person” does not include:

- (1) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
- (2) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (i) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-US law;
- (3) any trust of which any professional fiduciary acting as trustee is a U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- (4) an employee benefit plan established and administered in accordance with the law of a country

other than the United States and customary practices and documentation of such country;

(5) any agency or branch of a U.S. person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or

(6) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

An investor who is considered a “non-U.S. person” under Regulation S may nevertheless be generally subject to income tax under US Federal income tax laws. Any such person should consult his or her tax adviser regarding an investment in the Company.

“Valuation Point”

the point after the Dealing Request Deadline as of which the Administrator determines the Net Asset Value per Share of each Fund, as may be determined by the Directors

In this Prospectus the words and expressions set out in the first column above shall have the meanings set opposite them unless the context requires otherwise. All references to “Euro” or “EUR” are to the unit of the European single currency and all references to “US Dollars” or “USD” are to the currency of the United States.

## THE COMPANY AND THE FUNDS

### The Company

The Company is an open-ended investment company incorporated under the laws of Luxembourg as a *société d'investissement à capital variable* (“**SICAV**”) in accordance with the provisions of Part I of the law of 17 December 2010 governing undertakings for collective investment, as may be amended from time to time. The Company was incorporated for an unlimited period on 24 March 2014 under the name of Scout Investments Funds and has its registered office in Luxembourg.

The Articles were published in the Mémorial C, *Recueil Spécial des Sociétés et Associations* of the Grand-Duchy of Luxembourg on 15 April 2014. The Articles were last amended by a notarial deed of 8 January 2020 and the mention of the deposit of the consolidated Articles was published in the *Recueil électronique des sociétés et associations* (“**RESA**”) on 23 January 2020. The Company is registered with the Luxembourg Trade and Companies' Register under the number B185902. The provisions of the Articles are binding on all Shareholders.

The Reference Currency of the Company is the EUR. At all times the Company's capital will be equal to the Net Asset Value of the Company and will not fall below the minimum capital required by Luxembourg law.

### The Funds

The Company is an umbrella fund designed to offer investors access to a variety of investment strategies through a range of separate Funds. Details of the investment objective, investment policies and certain terms relating to an investment in the Funds will be set out in the relevant Supplement. The profile of a typical investor will be set out in the relevant Supplement. An investor's choice of Fund should be determined by the investor's attitude to risk, preference for income or growth, intended investment time horizon and in the context of the investor's overall portfolio. Investors should seek professional advice before making investment decisions.

Investment of the assets of each Fund must comply with the UCI Law. The investment and borrowing restrictions applying to the Company and each Fund are as set out in Appendix 1. The Directors may impose further restrictions in respect of any Fund. With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes or in over-the-counter derivative contracts, investments will be made on Regulated Markets, stock exchanges or other eligible markets. Each Fund may also hold ancillary liquid assets.

The assets of each Fund will be segregated from one another and will be invested in accordance with the investment objectives and investment policies applicable to each such Fund and as set out in the relevant Supplement. Pursuant to article 181 of the UCI Law, each Fund corresponds to a distinct part of the assets and liabilities of the Company, i.e. the assets of a Fund are exclusively available to satisfy the rights of investors in relation to that Fund and the rights of creditors whose claims have arisen in connection with the creation and operation of that Fund.

The liabilities of a particular Fund (in the event of a winding up of the Company or a repurchase of the Shares in the Company or all the Shares of any Fund) shall be binding on the Company but only to the extent of the particular Fund's assets. In the event of a particular Fund's liabilities exceeding its assets, recourse shall not be made against the assets of another Fund to satisfy any such deficit.

The Directors may establish additional Funds from time to time in respect of which a Supplement or Supplements will be issued with the prior approval of the CSSF.

### Classes of Shares

Each Fund may offer more than one Class of Shares. Each Class of Shares may have different

features with respect to its criteria for subscription (including eligibility requirements), redemption, Minimum Holding, Minimum Additional Subscription, Minimum Subscription, fee structure, Reference Currency, currency hedging policy and distribution policy. A separate Net Asset Value per Share will be calculated for each Class. The details of the Classes of Shares available for each Fund are described in the relevant Supplement. Further Classes may be created by the Directors in accordance with the requirements of the CSSF.

The limits for Minimum Holding, Minimum Additional Subscription, Minimum Subscription for any Fund or Class of Shares (if any) may be waived or reduced at the discretion of the Directors.

### **Distribution Policy**

Whether Accumulation or Distribution Shares will be issued in relation to a particular Fund will be described in the relevant Supplement.

The part of the year's net income corresponding to Accumulation Shares will not be paid to Shareholders and instead will be capitalised in the relevant Fund for the benefit of the Accumulation Shares. Payments will be made in the Reference Currency of the relevant Class.

The distribution policy applicable to each Class of Distribution Shares in relation to a particular Fund will be described in the relevant Supplement. The Directors reserve the right to introduce a distribution policy that may vary between Funds and different Classes of Shares in issue.

In any case, for any Distribution Shares, the yearly distributed amount shall correspond to minimum 90 % of the income collected for the concerned Classes during the reference year, net of any fees and expenses.

Payments will be made in the Reference Currency of the relevant Class. Distributions remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Fund.

In any event, no distribution may be made if, as a result thereof, the Net Asset Value of the Company would fall below the equivalent of EUR 1,250,000.

### **Form of Shares**

All the Shares will be registered Shares and will only be issued in bookstock form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Company's register of Shareholders, as maintained by the Administrator. Title to registered shares is evidenced by entries in the Company's share register. Shareholders will receive confirmation notes of their shareholdings. In principle, registered share certificates will not be issued.

### **Listing of Shares**

Shares of a Fund or Share Class may be listed on the Luxembourg Stock Exchange or on another investment exchange. The Directors will decide whether Shares of a particular Fund or Share Class are to be listed. The relevant Supplement will specify if the Shares of a particular Fund or Share Class are listed.

### **Prevention of Late Trading and Market Timing**

Late trading is to be understood as the acceptance of a subscription, switch or redemption order for shares in a fund after the time limit fixed for accepting orders on the relevant day and the execution of such order at the price based on the net asset value applicable to such same day. However, the acceptance of an order will not be considered as a late trade where the Distributor, or any sales agent to which it may delegate, submits the relevant subscription, switch or redemption request to the Administrator after the Dealing Request Deadline provided that such subscription, switch or redemption request has been received by the Distributor from the relevant investor in advance of the relevant Dealing Request Deadline.



The Company considers that the practice of late trading is not acceptable as it violates the provisions of this Prospectus which provide that an order received after the Dealing Request Deadline is dealt with at a Subscription Price or Redemption Price based on the Net Asset Value calculated on the next applicable Dealing Day. As a result, subscriptions, switches and redemptions of Shares shall be dealt with at the next Net Asset Value determined following the Dealing Request Deadline. The Dealing Request Deadline is set out in the Supplement for each Fund.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or switches shares of the same UCI within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the UCI.

The Company considers that the practice of market timing is not acceptable as it may affect the Company's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the Company reserves the right to refuse any application for subscription or switch of Shares which might or appears to be related to market timing practices and to take any appropriate measures in order to protect investors against such practice. Without limitation to the general power to make a redemption charge, the Company will consider making a redemption charge on the redemption of Shares by an investor in the event that the Company considers that such investor is systematically redeeming or switching shares within a short time period.

### **Anti-Money Laundering**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the identity of an applicant for Shares and where applicable the beneficial owner, on a risk sensitive basis, as well as the monitoring of the relationship on an ongoing basis. Amendments to a Shareholder's details and payment instructions will only be effected on receipt of original documentation.

Except for applicants applying through companies who are regulated professionals of the financial sector, bound in their country by rules on the prevention of money laundering equivalent to those applicable in Luxembourg, (i) the Administrator must verify the identity of the applicant and (ii) for that purpose any applicant applying in its own name or applying through companies established in non-equivalent countries, is obliged to submit to the Administrator in Luxembourg all necessary information, which the Administrator may reasonably require to verify. In the case of an applicant acting on behalf of a third party, the Administrator must also verify the identity of the beneficial owner(s). Furthermore, any such applicant hereby undertakes that it will notify the Administrator prior to the occurrence of any change in the identity of any such beneficial owner.

In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or may refuse to settle a redemption request until proper information has been provided. Investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Administrator shall settle such redemption requests in exceptional circumstances only and reserves the right to request such information as may be reasonably necessary in order to verify the identity of the investor and the owner of the account to which the redemption proceeds have been requested to be paid. The redemption proceeds will not be paid to a third party account unless exceptional circumstances exist and/or if the investor and/or owner of the account provides such information.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes.

Each applicant may also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

### **Data Protection**

In accordance with the provisions of the European data protection legislation (including the EU General Data Protection Regulation (Regulation (EU) 2016/679) (the “**GDPR**”) and of the law of 1 August 2018 concerning the organization of the CNPD and implementing GDPR, on the protection of persons with regard to the processing of personal data, as amended, the Company, as data controller, collects, stores and processes, by electronic or other means, the data supplied by Shareholders for the purpose of fulfilling the services required by the Shareholders and complying with its legal obligations. The data processed includes in particular the name, contact details (including postal or email address), banking details, invested amount and holdings in the Company of each Shareholder (the “**Personal Data**”).

A Shareholder or prospective Shareholder may at his/her discretion refuse to communicate the Personal Data to the Company. In this case, however, the Company may reject such Shareholder’s request for Shares.

Data supplied by Shareholders is processed for the purpose of (i) maintaining the register of Shareholders, (ii) processing subscriptions, redemptions and exchanges of Shares and payments of dividends to Shareholders, (iii) performing controls on excessive trading and market timing practices, (iv) complying with applicable anti-money laundering rules and (v) tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS). The Personal Data is not intended to be used for marketing purposes.

Personal Data may be transferred to the Company’s data processors (the “**Processors**”), which include in particular the Management Company, the Administrator and the Distributor, that are located inside and outside the EU, including in countries outside the EU whose data protection laws may not offer an adequate level of protection. In subscribing for Shares, the Shareholder expressly consents and agrees to the transfer of his/her Personal Data to Processors located in the US. Personal Data may be disclosed to the Luxembourg tax authority, which in turn may, acting as data controller, disclose it to foreign tax authorities.

Each Shareholder has a right to access his/her Personal Data and may ask for the Personal Data to be rectified where it is inaccurate or incomplete by writing to the Company.

### **Regulation on transparency of securities financing transactions and of reuse (SFTR)**

The Company does not intend to make use of total return swaps or of SFTR-related instruments as defined in 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.

Should the Company decide to use such SFTR-related instruments, this Prospectus would be amended accordingly.

## DIRECTORS

The Directors have the broadest powers to act in any circumstances on behalf of the Company, subject to the powers reserved by law to the Shareholders. The Directors are responsible for the overall management and control of the Company in accordance with the Articles. The Directors are further responsible for the implementation of each Fund's investment objective and policies as well as for oversight of the administration and operation of each Fund.

The Board of Directors of the Company is composed as follows:

**Mr. Mark ABBOTT**, Managing Director, Raymond James & Associates, Inc.  
880 Carillon Parkway, St Petersburg, Florida-33716 (United States of America).

**Mr. Yvan MARX**, independent director.

**Mr. Thomas SEALE**, independent director.

**Mrs. Olivia TOURNIER-DEMAL**, independent director.

**Mr. Eric WILWANT**, Senior Vice President and Chief Operating Officer of Carillon Tower Advisers and Eagle Asset Management, Carillon Tower Advisers INC, 880 Carillon Parkway, St Petersburg, Florida-33716 (United States of America).

## MANAGEMENT COMPANY

The Company has appointed Gay-Lussac Gestion to serve as its management company within the meaning of the UCI Law. The Management Company is responsible for the day-to-day operations of the Company and the provision of investment management services, administrative services and marketing services to the Company, subject to the overall supervision of the Directors.

The Management Company is a company incorporated under French law with registered office situated at 45, avenue George V, 75008 Paris, France. The Management Company was incorporated for a period of 99 years in France starting from 6 July 1994 in the form of a société par actions simplifiée. Its capital is currently in the amount of EUR 391,200,00.- (three hundred ninety thousand two hundred and eight Euro).

The directors of the Management Company are the following members:

- Emmanuel Laussinotte
- Aurélia Lunet de la Malène

The Management Company acts as the management company of the Company. In particular, the Management Company is required to comply with applicable laws and regulations in relation to its organisation, including delegation arrangements, risk management procedures, prudential rules and supervision, applicable prudential rules regarding the management of UCITS authorised under the UCITS Directive and reporting requirements. The Management Company shall comply with the UCI Law as regards the setup and operations of the Company and the Funds.

In addition to the Company, the Management Company also acts as management company for other funds. The list of funds managed by the Management Company will be set out in the Company's annual reports and may be obtained upon request from the Management Company.

In accordance with French laws and regulations and with the prior consent of the Directors, the Management Company may delegate all or part of its duties and powers to any person or entity, provided such duties and powers remain under the supervision and responsibility of the Management Company. The Management Company has appointed Société Générale Luxembourg to carry out administrative functions in respect of the Company.

In that context, the Management Company may appoint Investment Managers to one or more Funds. The Investment Manager would be entitled to receive from the Company an investment management fee equal to a percentage of the Net Asset Value of each Share Class, as specified in the relevant Supplement, as remuneration for its services rendered for one or more Funds under an investment management agreement. Unless otherwise stated in the relevant Supplement, the fee payable to the Investment Manager will be accrued as of each Valuation Point and will be payable monthly in arrears. The Investment Manager may, where legally permitted, agree to retrocede part of its fees to investors in the Fund.

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Company (the "**Remuneration Policy**").

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Company or the Funds.

Details of the Remuneration Policy, including the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an

overview of how remuneration is determined, is available on the website [www.gaylussacgestion.com](http://www.gaylussacgestion.com). A paper copy of the Remuneration Policy is available free of charge to the Shareholders upon request.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Company and the Shareholders and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

- a. the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b. the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- c. the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks.

In context of delegation, the Remuneration Policy will ensure that the delegates comply with the following:

- a. the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the longer-term performance of the Company and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- b. if at any point of time, the management of the Company were to account for 50 % or more of the total portfolio managed by the delegate, at least 50 % of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item b.; and
- c. a substantial portion, and in any event at least 40 % of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Company.

Regulation (EU) 2016/1011 (also known as the “Benchmarks Regulation”) requires the Management Company to produce and maintain robust written plans setting out the actions that it would take in the event that a benchmark that is used by the Company and its Funds (as defined by the EU Benchmark Regulations) materially changes or ceases to be provided. The Management Company shall comply with this obligation. Further information on the plan is available free of charge on request from the Management Company.

The Management Company is required under the Benchmarks Regulation to use only benchmarks which are provided by authorised benchmark administrators that are present in the register of administrators maintained by ESMA, pursuant to article 36 of the Benchmarks Regulation.

<b>Fund Name</b>	<b>Benchmark</b>	<b>Benchmark Administrator</b>	<b>Benchmark Administrator Registered</b>
<b>Eagle US Small Cap Strategy</b>	Russell 2000	FTSE International Limited	Yes

## ADMINISTRATOR

Société Générale Luxembourg has been appointed as the Administrator pursuant to the administrative, registrar and transfer agent agreement entered into on 20 November 2017 (the “**Administration Agreement**”).

Société Générale Luxembourg is a bank organised as a public limited liability company under Luxembourg laws. Société Générale Luxembourg was created on 11 April 1956 and its office address is at 11 avenue Emile Reuter, L-2420 Luxembourg, Grand-Duchy of Luxembourg, with address of its operational center at 28-32, Place de la gare, L-1616 Luxembourg, Grand-Duchy of Luxembourg.

The Administrator will carry out all administrative duties related to the administration of the Company, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Company.

The Administrator has also been appointed to provide registrar and transfer agency services to the Company. In this function the Administrator will process all subscriptions, redemptions and transfers of Shares and will register these transactions in the share register of the Company.

The relationship between the Management Company and the Administrator is subject to the terms of the Administration Agreement. The Administration Agreement has been entered into for an indeterminate period. The Management Company or the Administrator may terminate the Administration Agreement upon 3 months’ prior written notice, in accordance with the terms of the Administration Agreement. The Administration Agreement may also be terminated with immediate effect (the “**notifying party**”) upon if (i) any party being declared bankrupt, entering into a composition with creditors, obtaining a suspension of payment, being put under court controlled management or being the subject of a similar measure, (ii) the relevant Luxembourg or other competent authority withdrawing its authorisation or a similar measure (iii) the taking place of any other event resulting in termination of the Administration Agreement under the provisions of any of the Company’s constitutional documents (iv) a party committing any material breach of the Administration Agreement and failing to remedy such breach (if capable of remedy) within thirty days of receipt of a written warning via registered mail in this respect. Furthermore, the Management Company may terminate the Administration Agreement if this is in the best interest of the Shareholders.

The Administration Agreement contains provisions indemnifying the Administrator, and exempting the Administrator from liability, in certain circumstances.

## DEPOSITARY

Société Générale Luxembourg has been appointed as depositary of the Company under the terms of the Depositary Agreement dated 20 November 2017 between Société Générale Luxembourg, the Management Company and the Company.

Société Générale Luxembourg is a bank organised as a public limited liability company under Luxembourg laws and supervised by the CSSF, with its registered address at 11, avenue Émile Reuter, L-2420 Luxembourg, Grand-Duchy of Luxembourg.

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in article 34 (1) of the UCI Law), (ii) the monitoring of the cash flows of the Company (as defined in article 34 (2) of the UCI Law) and (iii) the safekeeping of the Company's assets (as defined in article 34 (3) of the UCI Law).

Under its oversight duties, the Depositary is required to:

- (1) ensure that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the UCI Law and with the Articles of the Company,
- (2) ensure that the value of Shares is calculated in accordance with the UCI Law and the Articles of the Company,
- (3) carry out the instructions of the Company or the Management Company, unless they conflict with the UCI Law or the Articles of the Company,
- (4) ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits;
- (5) ensure that an income of the Company is applied in accordance with the UCI Law and the Articles of the Company.

The overriding objective of the Depositary is to protect the interests of the Shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with Société Générale Luxembourg in parallel with an appointment of Société Générale Luxembourg acting as Depositary.

Such other business relationships may cover services in relation to:

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where Société Générale Luxembourg or its affiliates act as agent of the Company or the Management Company, or
- Selection of Société Générale Luxembourg or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of the shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - o Relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - o Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are



carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest;

- Implementing a deontological policy;
- Recording of a cartography of conflicts of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
- Setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the shareholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement.

The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available on the website:

[https://www.securities-services.societegenerale.com/uploads/tx\\_bisgnews/Global\\_Custody\\_Network\\_SGSS\\_2020-11.pdf](https://www.securities-services.societegenerale.com/uploads/tx_bisgnews/Global_Custody_Network_SGSS_2020-11.pdf)

Such list may be updated from time to time.

Updated information on the Depositary's custody and other duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

The Company or the Management Company may release the Depositary from its duties with ninety (90) calendar days' written notice to the Depositary. Likewise, the Depositary may resign from its duties with ninety (90) days written notice to the Company. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depositary, as defined in the Depositary Agreement signed to this effect. The replacement of the Depositary shall happen within two months.

## **SUBSCRIPTIONS**

### **Initial Offer**

Shares in a Fund or a particular Class may be subscribed for during the relevant Initial Offer Period at the Initial Offer Price and will be issued for the first time on the first Dealing Day after expiry of the relevant Initial Offer Period. The Directors may extend or shorten the Initial Offer Period at their discretion.

Cleared funds must be received prior to the end of the Initial Offer Period. The Directors may determine, in their sole and absolute discretion, taking into account the best interests of Shareholders, that subscriptions received during any relevant Initial Offer Period are insufficient and, in such event, the amount paid on application will be returned without interest as soon as practicable in the relevant currency at the risk and cost of the applicant.

### **Subsequent Subscriptions**

Following the close of the relevant Initial Offer Period, Shares will be available for subscription at the Subscription Price on each Dealing Day on a forward pricing basis as described below under "Procedure". The Subscription Price will be equal to the Net Asset Value per Share as of the relevant Valuation Point. The Company may charge a preliminary charge on such a subscription for Shares as set out in "Fees and Expenses" and specified in the relevant Supplement. However, where the relevant Fund is a master fund of another UCITS, the relevant feeder fund will not pay any preliminary charge in relation to its subscription in the Fund.

The Directors are authorised from time to time to resolve to close a Fund or any Class of Shares to new subscriptions or new investors on such basis and on such terms as the Directors may in their absolute discretion determine.

Investors should note that, under certain circumstances and unless provided otherwise in the Supplement relating to a Fund, the Directors will have the power to adjust the Net Asset Value per Share, and hence the Subscription Price, as described in the section of this Prospectus headed "Valuation".

### **Procedure**

Applicants for Shares during the relevant Initial Offer Period should complete and sign an application form and send it to the Administrator by facsimile so as to be received by the Administrator no later than the end of the Initial Offer Period. Cleared funds in the relevant currency in respect of the subscription monies (including any preliminary charge, if applicable) must be received by the Administrator by the same time. If the relevant application form and/or subscription monies is/are not received by these times, the application will be held over until the first Dealing Day after the close of the Initial Offer Period and Shares will then be issued at the relevant Subscription Price on that Dealing Day.

Thereafter, applicants for Shares, and Shareholders wishing to apply for additional Shares, must send their completed and signed application form by facsimile to the Administrator by the Dealing Request Deadline. Applications received after this deadline for any given Dealing Day shall be treated as received prior to the next Dealing Request Deadline. Cleared funds in the relevant currency and for the full amount of the subscription monies (including any preliminary charge, if applicable) must be received by the Administrator within three (3) Business Days following the relevant Dealing Day, unless otherwise specified in the relevant Supplement.

Initial applications and amendments to a Shareholder's registration details and payment instructions made by facsimile may be subject to the prompt receipt of the original signed application form and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required by the Administrator. No interest will be paid to investors on funds received by the Company prior to the reception of complete documentation required by the Administrator to accept and process the subscription order.

Fractions of Shares of up to four (4) decimal places will be issued if necessary.

The Company reserves the right to reject any application in whole or part at its absolute discretion, in which event the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable in the relevant currency at the risk and cost of the applicant.

### **Subscriptions in Kind**

The Company may agree to the issue of Shares in exchange for assets other than cash but will only do so where, in the absolute discretion of the Directors, it is determined that the Company's acquisition of such assets in exchange for Shares complies with the investment policies and restrictions laid down in the relevant Supplement for each Fund, has a value equal to the relevant Subscription Price of the Shares (together with any preliminary charge, if applicable) and is not likely to result in any material prejudice to the interests of Shareholders. Such contribution in kind to any Fund will be valued independently in a special report from the Auditor, upon the request of the Directors, established at the expense of the investor. All supplemental costs will be borne by the investor making the contribution in kind or by such other third party as agreed by the Directors in their sole and absolute determination.

### **Minimum Investment**

The Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription (if any) for each Class in respect of each Fund are set out in the relevant Supplement and may, in each case, be waived by the Directors.

### **Ineligible Investors**

The application form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, it is not an Ineligible Investor. In particular, the Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would require the Company, to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its Shares in the United States or any other jurisdiction. In addition, the Shares may not be offered, issued, transferred or otherwise held (legally or beneficially) to any US Person.

### **Suspension**

The Directors may declare a suspension of the issue of Shares in certain circumstances as described under "Suspension of Valuation of Assets". No Shares will be issued during any such period of suspension.

### **Specific restrictions regarding Institutional Investor Share Classes**

Specific attention should be made on the fact that Share Classes reserved to Institutional Investors are strictly reserved to Institutional Investors, so that any investor who do not meet the definition of Institutional Investor would de facto be regarded as an Ineligible Investor. In such case, the Board of Directors is entitled to, in its absolute discretion, enforce a conversion into another Share Class in which such Investor is entitled to hold Shares.

## **TRANSFER OF SHARES**

A Shareholder may transfer Shares to one or more other persons, provided that all Shares have been paid in full with cleared funds and each transferee meets the qualifications of an investor in the relevant Fund and Share Class and is not an Ineligible Investor.

In order to transfer Shares, the Shareholder must notify the Administrator of the proposed date and the number of Shares transferred. The Administrator only will recognize a transfer with a future date. Shares may not be transferred to or for the account of an Ineligible Investor.

Each transferee must complete an application form. The Shareholder should send its notice and the completed application form to the Administrator. The Administrator may request a transferee to provide additional information to substantiate any representation made by the transferee in its application. Any application that has not been completed to the satisfaction of the Administrator will be rejected. The Administrator will not effectuate any transfer until it is satisfied with the form of notice and has accepted each transferee's subscription application.

Any Shareholder transferring Shares and each transferee, jointly and separately, agrees to hold the Company and each of its agents harmless with respect to any loss suffered by one or more of them in connection with a transfer.

## REDEMPTIONS

Shareholders may apply for redemption of all or any of their Shares on any Dealing Day specified for the relevant Class of Shares in the relevant Supplement for the Fund in question. Shareholders should send a completed redemption request in the form available from the Administrator to be received by the Administrator no later than the Dealing Request Deadline for the Dealing Day in question.

### Procedure

Redemption requests may be submitted to the Administrator by facsimile, provided that all the original documentation as may be required by the Company has been received by the Company or its delegate (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed in advance of the relevant Dealing Request Deadline.

Any redemption requests received after the Dealing Request Deadline for a Dealing Day will be processed on the next Dealing Day.

A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than the Minimum Holding (if applicable).

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion).

### Redemption Price

The Redemption Price per Share will be equal to the Net Asset Value per Share as of the relevant Valuation Point determined in accordance with the policy set out below. The Company may charge a redemption charge as set out in the Supplement for the Fund in question. However, where the relevant Fund is a master fund of another UCITS, the relevant feeder fund will not pay any redemption charge in relation to its redemption from the Fund.

Investors should note that, under certain circumstances and unless provided otherwise in the Supplement relating to a Fund, the Directors will have the power to adjust the Net Asset Value per Share, and hence the Redemption Price, as described in the section of this Prospectus headed "Valuation".

### Settlement

Payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and normally within three (3) Business Days of the relevant Dealing Request Deadline, unless otherwise specified in the relevant Supplement. Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer in accordance with instructions given by the redeeming Shareholder to the Administrator and at the Shareholder's risk. Payments made on receipt of faxed instructions will only be processed where payment is made to the account of record as provided on either (a) the original, duly signed, initial application form, or (b) the original, duly signed bank mandate change request.

Fractions of Shares of up to four (4) decimal places will be redeemed if necessary.

### Redemptions in Kind

The Directors may request that a Shareholder accept a redemption in kind. The Directors may also, at their sole discretion, accept redemption requests from Shareholders to be settled in kind. In each case, the Shareholder will receive a selection of the Company's portfolio of securities, on a fair and reasonable basis and with due regard to the interests of other Shareholders, equivalent in value to the redemption proceeds. The value of each redemption in

kind will be certified by a report of the Auditor, to the extent required by Luxembourg law. All supplemental costs associated with the redemption in kind will be borne by the Shareholder requesting the redemption in kind or by such other third party as agreed by the Directors in their sole and absolute discretion.

### **Compulsory Redemptions**

The Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of an Ineligible Investor. Furthermore, the Directors may effect a compulsory redemption of any or all Shares held by or for the benefit of a Shareholder at any time in exceptional circumstances where they determine that such a compulsory redemption is in the interests of Shareholders.

In circumstances where a Shareholder is identified as a person from whom information is required for the purposes of fulfilling the requirements of FATCA, but such Shareholder fails to provide such required information and/or the classification of such Shareholder requires information to be reported to the Luxembourg tax authority, the Directors at their discretion may choose to redeem such Shareholder's interest in any of the Funds.

Subject to the relevant Supplement, if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding, the Company reserves the right to require compulsory redemption of all Shares of the relevant Class held by a Shareholder or alternatively to effect a compulsory switch of all Shares of the relevant Class held by a Shareholder for Shares of another Class in the same Fund which have the same Reference Currency but a lower Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding (if any) and the Company decides to exercise its right to compulsorily redeem for this reason, the Company will notify the Shareholder in writing and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum requirement.

### **Deferred Redemptions**

The Directors may (but are not obliged to) defer redemptions on a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10% of a Fund's Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The Directors will pro-rate all such redemption requests to the stated level (i.e. 10% of the Fund's Net Asset Value) and will defer the remainder until the next Dealing Day. The Directors will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

The Directors currently expect not to exercise such power to defer redemptions except to the extent that they consider that existing Shareholders would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable law or regulation.

### **Suspension**

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described under section "Suspension of Valuation of Assets". No Shares will be redeemed during any such period of suspension.

## SWITCHING BETWEEN FUNDS OR CLASSES

Except when issues and redemptions of Shares have been suspended in the circumstances described under section "Suspension of Valuation of Assets", holders of Shares may request to switch of some or all of their Shares in one Class or Fund (the "**Original Class**") for Shares in another Class or Fund (the "**New Class**"). Such switches can only take place, if following the switch, the Shareholder's holding in the New Class will satisfy the criteria and applicable minimum holding requirements (if any) of that Class or Fund.

### Procedure

Shareholders should send a completed request to switch in the form available from the Administrator to be received by the Administrator prior to the earlier of the Dealing Request Deadline for redemptions in the Original Class and the Dealing Request Deadline for subscriptions in the New Class. Any applications received after such time will be dealt with on the next Dealing Day.

The Directors may in their absolute discretion reject any request to switch in whole or in part. A request to switch, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion) or in the event of a suspension of calculation of the Net Asset Value of the Company in respect of which the request to switch is made.

Fractions of Shares of up to four (4) decimal places may be issued by the Company on a switch of Shares.

The Articles authorise the Directors to charge a switching fee. The Directors shall only charge a switching fee if a higher preliminary charge is applicable to the Shares of the Fund or the Class being acquired. In such case the switching fee shall not exceed the difference between the preliminary charges applicable to the relevant Funds or Classes. Any switching fee will be retained by the relevant Fund for the benefit of the existing Shareholders.

A switch of Shares of one Fund or Class for Shares of another Fund or Class will be treated as a redemption of Shares and a simultaneous purchase of Shares. A switching Shareholder may, therefore, realise a taxable gain or loss in connection with the switch under the laws of the country of the Shareholder's citizenship, residence or domicile. No redemption charge will be levied on a redemption of Shares for the purpose of any switch.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{(R \times NAV \times ER)}{SP}$$

where

S is the number of Shares of the New Class to be allotted.

R is the number of Shares in the Original Class to be redeemed.

NAV is the Net Asset Value per Share of the Original Class as at the relevant Dealing Day.

ER is the currency exchange factor (if any) as determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds or Classes where the base currencies are different or, where the base currencies are the same, ER = 1.

SP is the Net Asset Value per Share of the New Class as at the relevant Dealing Day.

All terms and notices regarding the redemption of Shares shall equally apply to any switch of Shares. On a switch of Shares the accrued Performance Fee (if any) would crystallise.

Investors should note that, under certain circumstances and unless provided otherwise in the Supplement relating to a Fund, the Directors will have the power to adjust the Net Asset Value per Share, and hence the price at which switches may be effected, as described in the section of this Prospectus headed "Valuation".



## VALUATION

### Net Asset Value and Valuation of Assets

The Net Asset Value of each Fund will be calculated by the Administrator as of each Valuation Point in accordance with the Articles.

The Net Asset Value of a Fund shall be determined as of the Valuation Point by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund.

The Net Asset Value attributable to a Class shall be determined as of the Valuation Point by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class as of the Valuation Point by reference to the number of Shares in issue in each Fund or Class as of the relevant Valuation Point subject to adjustment to take account of assets and/or liabilities attributable to the Fund or Class.

In the event that the foreign currency exposure of any Class of Shares denominated in a currency other than the Reference Currency of the relevant Fund is hedged, the costs and any benefit of such hedging will be allocated solely to the relevant Class of Shares to which the hedging relates. The Net Asset Value of a Fund will be expressed in the Reference Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share shall be calculated as of the Valuation Point by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class as of the relevant Valuation Point and rounding the resulting total up to two (2) decimal places or such number of decimal places as the Directors may determine.

In determining the value of the assets of the Company:

- (A) Transferable Securities and Money Market Instruments which are quoted, listed or traded on a Regulated Market, stock exchange or other eligible market, save as hereinafter provided at (D), (E), (F), (G) and (H) will be valued at the last available traded market prices, which may be the closing market price, the mid-market price or the latest market price, as appropriate. Where a security is listed or dealt in on more than one Regulated Market, stock exchange or other eligible markets the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on. Investments listed or traded on a Regulated Market, stock exchange or other eligible market but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount as of the Valuation Point provided the Directors or a competent person approved by the Directors shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (B) The value of any transferable security which is not quoted, listed or dealt in on a Regulated Market, stock exchange or other eligible market or which is so quoted, listed or dealt in but for which no such quotation or value is available or the available quotation or value is not representative shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Management Company) selected by the Directors or (iii) any other means provided that the value is approved by the Directors. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Directors whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (C) Cash on hand or on deposit will be valued at its nominal / face value plus accrued interest, where applicable, to the end of the relevant Valuation Point.

- (D) Derivative contracts traded on a Regulated Market, stock exchange or other eligible market shall be valued at the settlement price on the relevant market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Management Company) selected by the Directors or (iii) any other means provided that the value is approved by the Directors. Derivative contracts which are traded 'over-the-counter' will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Directors and who is independent of the counterparty; or (ii) using an alternative valuation provided by a competent person appointed by the Directors or a valuation by any other means provided that the value is approved by the Directors (the "**Alternative Valuation**"). Where such Alternative Valuation method is used the Company will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as the International Organisation of Securities Commissions or the Alternative Investment Management Association and will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained.
- (E) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a Regulated Market, stock exchange or other eligible market or by reference to freely available market quotations.
- (F) Notwithstanding paragraph (A) above units in collective investment schemes shall be valued at the latest available net asset value per unit or mid-price as published by the relevant collective investment scheme or, if listed or traded on a Regulated Market, stock exchange or other eligible market, in accordance with (A) above.
- (G) The Directors may value securities having a residual maturity not exceeding three months and having no specific sensitivity to market parameters including credit risk, using the amortised cost method of valuation.
- (H) The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market, stock exchange or other eligible market and with remaining maturity of less than twelve (12) months and of more than sixty (60) days is deemed to be the market value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of sixty (60) days or less will be valued by the amortised cost method, which approximates market value.
- (I) The Directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (J) Any value expressed otherwise than in the Reference Currency of the relevant Fund shall be converted into the Reference Currency of the relevant Fund at the prevailing exchange rate (whether official or otherwise) that the Directors shall determine to be appropriate.
- (K) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated with care and in good faith by the Directors or by a competent person approved by the Directors.
- (L) If the Directors deem it necessary a specific investment may be valued under an alternative method of valuation chosen by the Directors.

In calculating the Net Asset Value of each Fund the following principles will apply:

- (A) every Share agreed to be issued by the Directors with respect to each Dealing Day shall be deemed to be in issue as of the Valuation Point for the relevant Dealing Day and the assets of the Fund shall be deemed to include not only cash and property in the hands of the Depositary but also the amount of any cash or other property to be received in respect of Shares agreed to be issued after deducting therefrom (in the case of Shares agreed

to be issued for cash) or providing for preliminary charges (if applicable);

- (B) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Directors have reason to believe such purchase or sale will not be completed;
- (C) there shall be added to the assets of the relevant Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Company which is attributable to that Fund;
- (D) there shall be added to the assets of the relevant Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses;
- (E) there shall be added to the assets of the relevant Fund the total amount (whether actual or estimated by the Directors or their delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief;
- (F) where notice of the redemption of Shares has been received by the Company with respect to a Fund for a particular Dealing Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue as of the Valuation Point and the value of the assets of the Fund, as of the Valuation Point, shall be deemed to be reduced by the amount payable upon such redemption; and
- (G) there shall be deducted from the assets of the Fund:
  - (1) the total amount of any actual or estimated liabilities properly payable out of the assets of the Fund including any and all outstanding borrowings of the Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable as of the relevant Valuation Point;
  - (2) such sum in respect of tax (if any) on income or capital gains realised on the investments of the Company or Fund as in the estimate of the Directors will become payable;
  - (3) the amount (if any) of any distribution declared but not distributed in respect thereof;
  - (4) the remuneration of the Administrator, the Depositary, the Management Company, any distributor and any other providers of services to the Fund accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
  - (5) the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable out of the assets of the Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
  - (6) an amount as of the relevant Valuation Point representing the projected liability of the Fund in respect of costs and expenses to be incurred by the Fund in the event of a subsequent liquidation;
  - (7) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the Fund or Class of Shares; and
  - (8) any other liability which may properly be deducted.

The Directors may at their discretion permit any other method of valuation to be used if they

consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good practice.

In the absence of fraud, bad faith, gross negligence or manifest error, every decision taken by the Directors or any committee of the Directors or any duly authorised person on behalf of the Company in calculating the Net Asset Value of a Class or the Net Asset Value per Share shall be final and binding on the Company and on present, past or future Shareholders, subject to the Articles.

The Directors have delegated to the Administrator the day-t o - d a y responsibility for the calculation of the Net Asset Value and Net Asset Value per Share.

### **Swing Pricing Adjustments**

In certain circumstances, the value of the property of a Fund may be reduced as a result of charges incurred in dealings in the Fund's investments and of any spread between the buying and selling prices of these investments.

In order to prevent this effect, called "dilution", and the consequent potential adverse effect on the existing or remaining Shareholders, the Directors have the power to apply "swing pricing" methodology so as to allow for the Net Asset Value per Share to be adjusted upwards or downwards by dealing and other costs, and fiscal charges which would be payable on the effective acquisition or disposal of assets in the relevant Fund if the net subscriptions and redemptions exceed a threshold (the "**Threshold**") set by the Directors, in their sole discretion, from time to time.

Unless the Directors determine otherwise, the Net Asset Value will be adjusted in the following circumstances:

- (A) on a Fund experiencing levels of net subscriptions (i.e. subscriptions are greater in value than redemptions) in excess of the Threshold, the Net Asset Value will be adjusted upwards by the swing factor set by the Directors from time to time;
- (B) on a Fund experiencing levels of net redemptions (i.e. redemptions are greater in value than subscriptions) in excess of the Threshold, the Net Asset Value will be adjusted downwards by the swing factor set by the Directors from time to time.

Generally, the swing factor shall not exceed 2% of the Net Asset Value per Share of the relevant Fund.

### **Publication of Net Asset Value per Share**

The Net Asset Value per Share may be obtained free of charge from, and will be available at the offices of, the Administrator during business hours in Luxembourg. In addition, the Net Asset Value per Share is currently published at [www.bloomberg.com](http://www.bloomberg.com).

### **Suspension of Valuation of Assets**

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of the Company or a Fund and/or the issue, switch and redemption of Shares in any Fund:

- (A) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Regulated Markets, stock exchanges or other eligible markets on which the Company's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or

- (B) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation by the Company of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or
- (C) during the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the price or value of any of the Company's investments; or
- (D) during the whole or any part of any period when for any reason the price or value of any of the Company's investments cannot be reasonably, promptly or accurately ascertained; or
- (E) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of the Company or the Fund being unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange; or
- (F) following a possible decision to merge, liquidate or dissolve the Company or, if applicable, one or several Funds; or
- (G) following the suspension of the calculation of the net asset value per share/unit, the issue, redemption and/or the switch at the level of a master fund in which the Fund invests in its capacity as feeder fund of such master fund; or
- (H) if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Fund; or
- (I) if, in exceptional circumstances, the Directors determine that suspension of the determination of Net Asset Value is in the interest of Shareholders (or Shareholders in the relevant Fund, as appropriate).

Any suspension of valuation of the Net Asset Value of the Company or a Fund and the issue, switch and redemption of Shares in any Class shall be notified to Shareholders having made an application for subscription, redemption or switch of Shares for which the calculation of the Net Asset Value has been suspended.

Such suspension as to any Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and switch of Shares of any other Fund, if the assets within such other Fund are not affected to the same extent by the same circumstances.

## **FEES AND EXPENSES**

Any fees or expenses payable by a Shareholder or out of the assets of the Company are set out in this section.

### **Preliminary Charge**

The Company is permitted to make a preliminary charge on the subscription of Shares. Where applicable, the percentage rate of any preliminary charge will be disclosed in the relevant Supplement for each Fund. The maximum amount for such preliminary charge will be 5% of the value of the relevant subscription. Any preliminary charge may be passed to placement or other introducing agents. Any preliminary charge which is not so passed on will be retained by the relevant Fund.

### **Redemption Charge**

The Company is permitted to make a redemption charge on the redemption of Shares by an investor. Where applicable, the current percentage rates of redemption charge will be shown in the relevant Supplement for each Fund. Any redemption charge will be retained by the relevant Fund.

Without limitation to the general power to make a redemption charge, the Company will consider making a redemption charge on the redemption of Shares by a Shareholder in the event that the Company considers that such Shareholder is systematically redeeming or switching shares within a short time period. Further information in relation to the Company's position on market timing can be found under the section of this Prospectus headed "The Company and the Funds - Prevention of Late Trading and Market Timing".

### **Management Company Fees**

The Management Company will receive from the Company, for the provision of its services, a fee equal to a percentage of the Net Asset Value of each Share Class, in accordance with applicable market standards in Luxembourg. Unless otherwise stated in the relevant Supplement, the fee payable to the Management Company will be accrued as of each Valuation Point and will be payable monthly in arrears.

The Management Company shall also be entitled to be repaid all of its disbursements out of the assets of the Company, including legal fees, couriers' fees and telecommunication costs and expenses which shall be at normal commercial rates together with value added tax, if any, thereon.

### **Performance Fees**

The Management Company may be entitled to receive a Performance Fee from the Company, the details of which are set out in the relevant Supplement for each Fund, where applicable.

### **Depositary Fees**

The Company shall pay to the Depositary out of the assets of the Company an annual fee equal to a percentage of the Net Asset Value of each Share Class, in accordance with applicable market standards in Luxembourg. The fee payable to the Depositary shall be accrued as of each Valuation Point and paid out quarterly in arrears, as of the relevant Valuation Point.

### **Paying Agents Fees**

Fees and expenses of any paying agent(s) appointed by the Company, in accordance with the applicable market standards, shall be borne by the Company.

### **Administrator Fees**

The Company shall pay to the Administrator out of the assets of the Company an annual fee equal to a percentage of the Net Asset Value of the assets attributable to the relevant Class of Shares, in accordance with applicable market standards in Luxembourg. The fee payable to the Administrator shall be accrued as of each Valuation Point and paid out quarterly in arrears, as of the relevant Valuation Point.

### **Other Service Providers Fees**

The Company, in respect of any Fund, may appoint alternative and/or additional service providers. The fees payable to the relevant service provider shall be borne by the Company.

### **Directors Fees**

The Company shall pay to each of the Directors out of the assets of the Company an annual fee which is published in the corresponding annual/semi-annual report. Directors that are employees of Raymond James Group or its direct or indirect subsidiaries or affiliates may waive their directors' fees. The Company shall also reimburse the expenses of the Directors (in accordance with the Articles), including the reasonable travel expenses of the Directors and all of the costs of insurance for the benefit of the Directors (if any).

### **Operating Expenses and Fees**

The Company also bears its own operating and other expenses. Where applicable, these expenses include (but are not limited to) (a) all investment expenses (including, but not limited to, specific expenses incurred in obtaining systems, research and other information utilised for portfolio management purposes, including the costs of statistics and services, service contracts for quotation equipment and related hardware and software), (b) all fees and expenses of transactional and trade-related services including, for the avoidance of doubt and without limitation, costs incurred in arranging and participating in any securities lending programmes, (c) all of the charges and expenses of legal and professional advisers, accountants and auditors (including in connection with the preparation of the Company's tax returns), (d) all brokers' commissions, all fees for investment research and/or trade ideas, all borrowing charges on short positions taken through derivative instruments and any issue or transfer taxes or stamp duties chargeable in connection with securities transactions, (e) all taxes and corporate fees payable to governments or agencies, (f) all interest on borrowings (g) all communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (h) all litigation, regulatory investigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, (i) the fees of the CSSF, (j) the cost of termination of the Company or any Fund, (k) the fees and expenses of any regulator, representative, distributor or correspondent bank appointed in connection with the registration of the Company (or any Fund) or the marketing of Shares or the application for and maintenance of particular tax treatment for the Shares in any jurisdiction, (l) the costs of any liability insurance obtained on behalf of the Company or the Management Company, and (m) all other organisational and operating expenses.

Any such operating and other expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of the Company. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Shares in proportion to the Net Asset Value of the Company, or any other basis which the Directors deem appropriate, or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Class shall be borne solely by the relevant Class.

### **Allocation of Fees and Expenses**

All fees, duties, charges and expenses are charged to the relevant Fund and/or relevant Class in respect of which they were incurred. Where an item is not considered to be attributable to any one Fund, the item will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although the Directors may, in their discretion, allocate such item in a manner which it considers fair to Shareholders generally.

### **Costs of Establishment**

All costs and expenses of establishing the Company will be borne by the Company.

The total costs and expenses of establishing new Funds will be payable and borne by such Funds. These costs and expenses may at the discretion of the Directors be amortised on a straight-line basis over a period of up to 5 years. The Directors may, in their absolute discretion, shorten the period over which such costs and expenses are amortised. It is expected that such accounting treatment will not be material to the financial statements of the Company.

### **Cap on Fees and Expenses**

In relation to each Fund, the Management Company may agree to bear the aggregate amount of fees and expenses referred to in the above paragraphs (with the exclusion of performance fees and transaction related fees and expenses) in excess of a maximum amount which shall be set out in each relevant Supplement, where applicable. In such a case the Management Company will agree to waive the fees to which it is entitled, to the extent the fees and expenses incurred by a Fund exceed the applicable cap.



## TAXATION

The sections below on Luxembourg and United States taxation are brief summaries of the tax advice received by the Directors relating to current law and practice which may be subject to change and interpretation.

The information given below does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the possible tax consequences of buying, selling, switching, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to tax. Investors are also advised to inform themselves as to any exchange control regulations applicable in their country of residence.

Generally the tax consequences of acquiring, holding, switching, redeeming or disposing of Shares in the Company will depend on the relevant laws of the jurisdiction to which the Shareholder is subject. Shareholders resident in, or citizens of, certain countries which have anti-offshore fund legislation may have a liability to tax as regards to tax on the undistributed gains of the Company. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his personal circumstances. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

Dividends, interest and capital gains (if any) which the Company receives with respect to investments may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Luxembourg and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

### Luxembourg Taxation

The following summary is based on the law and practice currently applicable in Luxembourg and is subject to changes therein.

#### Taxation of the Company in Luxembourg

Under currently applicable Luxembourg law, the Company is not liable to any income tax in Luxembourg, nor are dividends paid by the Company subject to any withholding tax in Luxembourg.

##### *Subscription tax (taxe d'abonnement)*

The Company is, however as a rule, liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% per annum computed on its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate Net Asset Value of the Funds at the end of the relevant calendar quarter as valued on the last day of each quarter of the calendar year.

The subscription tax is however reduced to 0.01% per annum for: (i) UCIs whose exclusive object is collective investment in money market instruments and the placing of deposits with credit institutions; (ii) UCIs whose exclusive object is collective investment in deposits with credit institutions; and (iii) individual compartments of umbrella UCIs referred to in the UCI Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

The *taxe d'abonnement* will also not apply in relation to the value of assets represented by units of other UCIs, to the extent such units have already been subject to the subscription tax provided by the amended law of 13 February 2007 relating to specialised investment funds or by the UCI Law.

The effective rate of *taxe d'abonnement* which is applicable to the various Classes of Shares is disclosed in each Supplement.

#### *Other taxes*

The Company is liable to a fixed registration duty of EUR 75 on the registration of its incorporation or of any amendment to its articles of incorporation. No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares.

Under current law in Luxembourg, no Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

Capital gains, dividends and interest realised or received by the Company on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

In addition, the Company may be liable to certain taxes in countries where the Company carries out its investment activities. Those taxes are not recoverable by the Company in Luxembourg.

#### **Taxation of Shareholders in Luxembourg**

Under current legislation, Shareholders are not subject to any capital gains, or income tax in Luxembourg unless they: (i) are domiciled or resident in Luxembourg or (ii) have a Luxembourg permanent establishment or permanent representative to which or whom the Shares of the Company are attributable.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, switching, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

#### **Organisation for Economic Cooperation and Development Common Reporting Standard**

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its CRS as set out in the CRS Law.

Under the terms of the CRS Law, the Company is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Company documentation, the Company will be required to annually report to the Luxembourg tax authorities personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) investors that are reportable persons under the CRS Law, and (ii) Controlling Persons (as defined below) of certain non-financial entities which are themselves reportable persons. This information, as exhaustively set out in the CRS Law, will include personal data related to the reportable persons (the "CRS Information").

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each investor providing the Company with the required CRS Information, as explained above, along with the required supporting documentary evidence. In this context, the investors are hereby informed that, as data controller, the Company will process such CRS Information for the purposes as set out in the CRS Law. The investors undertake to inform their controlling persons, if applicable, of the processing of their CRS Information by the Company.

For the purposes of this section, "Controlling Person" means the natural persons who exercise control over an entity. In the case of a trust, the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

Investors are further informed that the CRS Information related to reportable persons within the meaning of the CRS Law will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. In particular, reportable persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities. Similarly, investors undertake to inform the Company within thirty (30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to immediately inform the Company of and provide the Company with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes. Any investor that fails to comply with the Company's CRS Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the Information or subject to disclosure of the CRS Information by the Company to the Luxembourg tax authorities.

## **Certain US Tax Information**

### *US Tax Withholding and Reporting under FATCA*

Provisions under the US HIRE Act, known as FATCA, generally will impose a 30% withholding tax on (a) certain US source payments (including interest and dividends) after 31 December 2013, (b) gross proceeds from the disposition of US equity or debt investments realised after 31 December 2016 and (c) starting no earlier than 1 January 2017, certain payments made by certain foreign entities to the extent the payments are treated as attributable to withholdable payments, unless the Company enters into a foreign financial institutions agreement ("FFI agreement") with the IRS or Luxembourg (or other applicable jurisdictions) enters into an intergovernmental agreement ("IGA") relating to FATCA with the United States. It is the intention of the Directors to comply with FATCA (either by entering into an FFI agreement or by otherwise complying with FATCA pursuant to an applicable IGA). To comply, the Company will be required to, amongst other things, report on an annual basis information relating to the identity of certain investors (generally investors who are US taxpayers or who are owned by US taxpayers) and details relating to their holdings to the IRS or indirectly through the local tax authority if there is an IGA in place between the US and Luxembourg.

FATCA rules being particularly complex and as the rules governing their implementation for Luxembourg funds are still uncertain, the Company cannot at this time accurately assess the extent of the requirements that FATCA provisions will place upon it.

A Shareholder that fails to provide promptly on request the required information to the Company (or, in the case of a Shareholder that is a "foreign financial institution" for purposes of FATCA, fails to itself enter into an FFI agreement with the IRS or otherwise comply with an applicable IGA) generally will be subject to the 30% withholding tax with respect to its share of any such payments directly or indirectly attributable to US investments of the Funds.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In circumstances where a Shareholder is identified as a person from whom information must be received or who is otherwise covered by FATCA, the Company at its discretion may choose to redeem such Shareholder's interest in any of the Funds or require such Shareholder to transfer such interest to a person not subject to FATCA and who is permitted in all other respects by the terms of the Prospectus to be an eligible Shareholder. If the Company becomes subject to a withholding tax as a result of the US HIRE Act, the return of all Shareholders may be materially affected.

The Company and/or its Shareholders may also be indirectly affected by the fact that a non U.S. financial entity does not comply with FATCA regulations even if the Company satisfies with its own FATCA obligations.

## **General**

It is expected that Shareholders in the Company will be resident for tax purposes in many

different countries. Consequently, no attempt is made in this Prospectus to summarise the taxation consequences for every investor of subscribing, switching, holding or redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile and/or incorporation and with his personal circumstances.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, switching, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

## **RISK MANAGEMENT PROCESS**

The Management Company has implemented a Risk Management Process which will be followed in relation to the Company and each Fund. The directors of the Management Company will review such Risk Management Process at least annually.

### **Global exposure**

As part of the Risk Management Process, each Fund uses one of the following methodologies to monitor and measure its global exposure: (i) the Commitment Approach, (ii) the Relative VaR Approach; or (iii) the Absolute VaR Approach.

The selection of the appropriate methodology for calculating global exposure is made by the Management Company based upon a consideration of the following factors: (i) whether the Fund engages in complex investment strategies which represent a significant part of the Fund's investment policy; (ii) whether the Fund has a significant exposure to exotic derivatives; and/or whether the Commitment Approach adequately captures the market risk of the Fund's portfolio.

### **Expected Level of Leverage**

Where a Fund determines its global exposure on the basis of the Relative VaR Approach or the Absolute VaR Approach, as specified for each Fund in the relevant Supplement, leverage shall be determined by taking into account the financial derivative instruments concluded by the Fund, the reinvestment of collateral received in relation to efficient portfolio management transactions as well as any use of collateral within any other efficient portfolio management transaction.

With respect to financial derivative instruments, there are two methods of calculating the leverage: the commitment approach and the sum of notionals of financial derivative instruments approach. The commitment approach defines the leverage as the market risk exposure gained in excess of the Fund's assets under management through the use of financial derivative instruments. The sum of notionals of financial derivative instruments approach defines the leverage as the sum of the absolute value of the notional of all financial derivative instruments in the relevant portfolio. In accordance with applicable laws and regulations, leverage for each Fund shall be calculated as the sum of the notionals of the derivatives used.

The expected level of leverage for each Fund, as well as the possibility of a higher level of leverage, is specified for each Fund in the relevant Supplement.

## SUSTAINABLE INVESTMENT POLICY

This sustainable investment policy describes the integration of ESG analysis and/or standards (as further explained below) into the investment processes applied by each Investment Manager for the Fund(s) it manages.

The Management Company and the Investment Managers are committed to taking a sustainable approach to investing. However, the applicability of these standards and of this analysis may vary depending on the type of Fund, the asset class, the region and the instrument used.

In addition, certain Funds may be subject to other investment guidelines, as detailed in the relevant Supplement.

Therefore, this policy will be implemented on a case-by-case basis in all portfolios. ESG standards are integrated into the investment process of each Fund.

ESG standards relate, among other things, to (i) the 10 principles of the United Nations Global Compact and (ii) the sectoral policies of the Management Company and the Investment Managers.

The United Nations Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) is a globally recognized common framework that applies to all industrial sectors. This initiative is based on international conventions in the areas of human rights, labor standards, the environment and the fight against corruption. Companies which violate one or more of these principles are excluded from the investments of the Funds, and those for which a risk of non-compliance exists are closely monitored, or even excluded, where applicable.

The Management Company and the Investment Managers have also issued a series of ESG directives concerning investments in sensitive sectors. Companies from these sensitive sectors that do not comply with the minimum principles described in these directives are excluded from the Funds' investment. Below is an outline of key ESG issues that we consider as part of our fundamental research into securities that are candidates for inclusion in investment strategies

### ENVIRONMENTAL

Investment Managers seek companies that take a proactive approach to environmental stewardship. Therefore, they favor companies with

- policies, procedures and systems in place to manage environmental risks, including climate change, hazardous waste, toxic chemicals, water use, etc.;
- lower and/or shrinking carbon footprints; and
- standardized reporting of relevant information regarding environmental targets and performance.

### SOCIAL

Investment Managers seek companies that take seriously their roles with respect to social responsibility. Under this wide umbrella, they prefer companies with a demonstrated commitment to:

- fair employment practices, gender pay equality, anti-discrimination policies, safe working conditions, etc.;
- community involvement, including philanthropy and volunteer activities;
- diversity in the workplace and in leadership; and
- protection of human rights.

### GOVERNANCE

Finally, Investment Managers seek to identify companies with excellent corporate governance practices that are reflected in policies and procedures that promote

- accountability and responsiveness of the board of directors and management to stakeholders;

- responsible and ethical business practices, including product safety, employee protections, supply chain management, etc.; and
- prudent capital management.

ESG scores, as defined by an internal proprietary framework, can be made available to assist in the ESG evaluation of securities' issuers. ESG integration is systematically applied to all investment strategies. The process to integrate and embed ESG factors in the investment decision-making processes is guided by formal ESG integration guidelines. However, the way and the extent to which ESG integration, including ESG scores, is embedded in each investment process is determined by its Investment Manager, who is fully responsible in this respect.

Engagement and dialogue with issuers are an integral and crucial part of sustainable investing. They should be used to steer companies and the world on the right track. In this context, the Management Company and the Investment Managers are committed at three levels:

- Corporate engagement is a vital tool in the portfolio management process. Investment Managers and regularly engage with portfolio companies one-on-one and encourage a long-term perspective. Additionally, they may participate in pooled engagements that generally focus on encouraging companies to improve transparency, corporate social responsibility, and governance practices.
- An important aspect of active portfolio management is exercising the right as shareholders to vote proxies in a manner consistent with the best interests and values of Fund's investors. Investment Managers have created a comprehensive set of proxy voting guidelines, these guidelines promote responsible corporate governance practices and reflect a thoughtful approach to a wide array of environmental and social issues.

Investment Managers look favorably on shareholder resolutions that protect and/or enhance shareholder rights, improve corporate accountability, increase transparency, support diversity, assert board independence, protect the environment, uphold human rights, and promote responsible business practices.

- Public policy engagement is as well important, and Investment Managers believe that it may be in the interest of companies to engage with political decision-makers in favor of the development of a regulatory framework that encourages those who have achieved high environmental and social standards.

Further information on the overall sustainability strategy of Gay-Lussac Gestion can be found on the website of the Management Company at the following address: <https://www.gaylussacgestion.com> (sub-section "Responsible Investment").

Further information related to ESG characteristics can be found on the relevant supplement of each Fund.

## **RISK FACTORS**

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Different risks may apply to different Funds. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors should consider, among others, the following factors before subscribing for Shares.

### **Investment Risk**

Investors should be aware that there are risks inherent in the holding of securities. There is no assurance that any appreciation in the value of investments made by a Fund will occur, or that the investment objectives of any Fund will be achieved. Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full. The tax treatment of the Funds may change and such changes cannot be foreseen. Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment. The difference at any one time between subscription and redemption prices for Shares means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment. There can be no assurance that the Company will achieve its investment objective in respect of any of the Funds. The investment results of the Fund are reliant upon the success of the Management Company.

### **Suspension of Dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended (see “**Suspension of Valuation of Assets**”).

### **Segregation of Liabilities Between Funds**

As a matter of Luxembourg law, the assets of each Fund will not be available to meet the liabilities of another, although the concept of segregated liability remains untested. Accordingly, where claims are brought by local creditors in a court other than the Luxembourg courts or under contracts governed by a law other than the law of Luxembourg, it is not yet known whether such foreign court would give effect to the segregated liability and cross-investment provisions of the Luxembourg law.

Notwithstanding the above, however, Shareholders are not liable for the debts of the Company. A Shareholder will not be liable to make any further payment to the Company after he has paid the Subscription Price and any preliminary charge or other charges (such as transaction costs in relation to a subscription in kind) due on the purchase of Shares.

### **Depositary – Segregation, Sub-Custodians and Insolvency**

Where securities are held with a sub-custodian of the Depositary or by a securities depositary or clearing system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Company may have to share that shortfall on a pro-rata basis. Securities may be deposited with clearing brokers which the Depositary is not obliged to appoint as its sub-custodians and in respect of the acts or defaults of which the Depositary shall have no liability provided that it has complied with its duties. There may be circumstances where the Depositary is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depositary has complied with its duties.

The Company is at risk of the Depositary or a sub-custodian entering into an insolvency procedure. During such a procedure (which may last many years) the use by the Company of



assets held by or on behalf of the Depositary or the relevant sub-custodian, as the case may be, may be restricted and accordingly (a) the ability of the Management Company to fulfil the investment objective of each Fund may be severely constrained, (b) the Funds may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, the Company is likely to be an unsecured creditor in relation to certain assets and accordingly the Company may be unable to recover such assets from the insolvent estate of the Depositary or the relevant sub-custodian, as the case may be, in full, or at all.

### **Depositary Liability**

In the event of loss suffered by the Company as a result of the Depositary's actions or omissions, the Company would generally, in order to bring a successful claim against the Depositary, have to demonstrate that it has suffered a loss as a result of Depositary's failure to use such reasonable care as may be expected of a leading global depositary in performing its obligations under the Depositary Agreement. The Company may also have to demonstrate that it has suffered a loss as a result of the Depositary's negligence, fraud or willful default.

### **Market Crisis and Governmental Intervention**

The global financial markets have recently experienced extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Management Company's ability to fulfil a Fund's investment objective. However, there is a high likelihood of significantly increased regulation of the global financial markets, and such increased regulation could be materially detrimental to the performance of a Fund's portfolio.

### **FATCA and Compliance with US Withholding Tax Requirements**

Provisions under the US HIRE Act, known as FATCA, generally will impose a 30% withholding tax on (a) certain US source payments (including interest and dividends) after 31 December 2013, (b) gross proceeds from the disposition of US equity or debt investments realised after 31 December 2016 and (c) starting no earlier than 1 January 2017, certain payments made by certain foreign entities to the extent the payments are treated as attributable to withholdable payments, unless the Company enters into a foreign financial institutions agreement ("FFI agreement") with the IRS or Luxembourg (or other applicable jurisdictions) enters into an intergovernmental agreement ("IGA") relating to FATCA with the United States. It is the intention of the Directors to comply with FATCA (either by entering into an FFI agreement or by otherwise complying with FATCA pursuant to an applicable IGA). To comply, the Company will be required to, amongst other things, report on an annual basis information relating to the identity of certain investors (generally investors who are US taxpayers or who are owned by US taxpayers) and details relating to their holdings to the IRS or indirectly through the local tax authority if there is an IGA in place between the US and Luxembourg.

FATCA rules being particularly complex and as the rules governing their implementation for Luxembourg funds are still uncertain, the Company cannot at this time accurately assess the extent of the requirements that FATCA provisions will place upon it.

A Shareholder that fails to provide promptly on request the required information to the

Company (or, in the case of a Shareholder that is a “foreign financial institution” for purposes of FATCA, fails to itself enter into an FFI agreement with the IRS or otherwise comply with an applicable IGA) generally will be subject to the 30% withholding tax with respect to its share of any such payments directly or indirectly attributable to US investments of the Funds.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In circumstances where a Shareholder is identified as a person from whom information must be received or who is otherwise covered by FATCA, the Company at its discretion may choose to redeem such Shareholder’s interest in any of the Funds or require such Shareholder to transfer such interest to a person not subject to FATCA and who is permitted in all other respects by the terms of the Prospectus to be an eligible Shareholder. If the Company becomes subject to a withholding tax as a result of the US HIRE Act, the return of all Shareholders may be materially affected.

The Company and/or its Shareholders may also be indirectly affected by the fact that a non U.S. financial entity does not comply with FATCA regulations even if the Company satisfies with its own FATCA obligations.

### **Hedging Risk**

If set out in the relevant Supplement, hedging transactions may be entered into using futures, forwards or other exchange-traded or over-the-counter instruments or by the purchasing of securities (“**Hedging transactions**”) in order to hedge the Fund’s exposure to foreign exchange risk where Classes of Shares are denominated in currencies other than Reference Currency of the relevant Fund and/or certain other exposures including the risk of the value of a Class of Shares, or any increase thereto, being reduced by inflation in the underlying currency of the relevant Class. In addition, if set out in relevant Supplement, the Management Company will, as far as is reasonably practicable, seek to hedge out foreign currency exposure at Fund level by entering into forward foreign exchange transactions or other methods of reducing exposure to currency fluctuations.

Hedging transactions, while potentially reducing the risk of currency and inflation exposure which a Fund or a Class of Shares may otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty, as described under the risk factor headed “Derivatives” below.

Prospective investors should note that there can be no assurance that any hedges which are in place from time to time will be effective.

Please refer to the risk factor headed “Currency Exposure” below for further disclosure in relation to certain risks related to Shares being denominated in different currencies and assets of a Fund being denominated in a currency other than the Reference Currency of the relevant Fund. Please refer to the heading “Fund Specific Risks” in the relevant Supplement for further disclosure in relation to certain risks associated with hedging transactions, where applicable.

### **Concentration of Investments**

A Fund may at certain times hold relatively few investments. Such a Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### **Credit Spreads**

A Fund may make investments that expose it to corporate credit spreads and movements in such spreads will thus impact on the Net Asset Value per Share of each Class.

## **Debt Instruments**

The debt instruments in which a Fund may invest may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. In addition to high investment grade debt instruments, a Fund may invest in low investment grade or non-investment grade debt instruments, which are typically subject to greater market fluctuations and the risk of loss of income and principal than lower yielding, investment grade instruments, and which are often influenced by many of the same unpredictable factors which affect equity prices. A Fund's investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market's perception of any particular issuers' creditworthiness.

## **Debt Securities**

The Funds may invest in fixed income securities which may be not be rated by a recognised credit-rating agency, are low investment grade or below investment grade and which are, or may become, subject to greater risk of loss of principal and interest than higher-rated debt securities. As investors generally perceive that there are greater risks associated with unrated and below investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the Funds. The Funds may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Funds may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Funds will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

## **Deferred Redemptions**

In the event that redemption requests are received for redemption of Shares representing in aggregate more than 10% of the total number of Shares representing interests in a single Fund then in issue, redemption requests may be reduced rateably and pro rata and the redemption of Shares may be carried forward to the next following Dealing Day. In the event of a large number of redemptions, this power to defer redemptions could be exercised on a number of successive Dealing Days and materially restrict a Shareholder's ability to redeem his Shares (as described in more detail below).

## **Convertible Bond Transactions**

Convertible bond transactions are designed to hedge out the risks involved in market movements affecting unhedged investments in the underlying instruments into which the relevant convertible bond may be converted. Therefore, they are intended to be a relatively "market neutral" investment. However, should the credit status of an issuer weaken, losses may result from decreases in the market conversion premium or a loss of liquidity with respect to the security. These losses will be limited by the short hedge on the underlying security, but may be substantial in relation to the Net Asset Value of the Company. The Company may also suffer losses if an issuer is acquired for cash or debt securities at a price that does not generate profits on the unhedged portion of a position sufficient to recover the premium paid to acquire the convertible security and any unpaid accrued interest that would be lost should conversion become necessary. Losses may result when securities are called for redemption at prices below the current market prices. Frequently, these losses will include interest accrued but not paid upon conversion of the called securities. In addition, losses may occur if the terms of the convertible bond do not allow for an adjustment in the conversion terms, or the Company is forced to convert a security earlier than anticipated.

## Credit Default Swaps

A credit default swap is a type of credit derivative which allows one party (the “**protection buyer**”) to transfer credit risk of a reference entity (the “**reference entity**”) to one or more other parties (the “**protection seller**”). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of a number of events (each, a “**credit event**”) experienced by the reference entity. Credit default swaps carry specific risks including high levels of gearing, the possibility that premiums are paid for credit default swaps which expire worthless, wide bid/offer spreads and documentation risks. In addition, there can be no assurance that the counterparty to a credit default swap will be able to fulfil its obligations to the Company if a credit event occurs in respect of the reference entity. Further, the counterparty to a credit default swap may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in, or an alternative meaning of, language used in the contract, most notably the language specifying what would amount to a credit event.

## Swap Agreements

The Company may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Company’s exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Company is not limited to any particular form of swap agreement if consistent with the terms of the Prospectus and the investment objective and policy of a Fund.

Swap agreements tend to shift the Company’s investment exposure from one type of investment to another. For example, if the Company agrees to exchange payments in one currency for payments another currency, the swap agreement would tend to decrease the Company’s exposure to interest rates in the country and/or region of the first currency and increase its exposure to the other currency and interest rates in the relevant country and/or region. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Company’s portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Company. If a swap agreement calls for payments by the Company, the Company must be prepared to make such payments when due. In addition, if a counterparty’s creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Company. Use of swaps agreements may also incur counterparty risk as defined below.

## Use of Swaps and Other Derivatives

The Management Company may make use of swaps and other forms of derivative contracts. In general, a derivative contract typically involves leverage (within the permitted limits), i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract. Many of the derivative contracts used by the Company will be privately negotiated in the over-the-counter market. These contracts also involve exposure to credit risk, since contract performance depends in part on the financial condition of the counterparty. These transactions are also expected to involve significant transaction costs.

## Currency Exposure

The Shares are denominated in a number of different currencies and Shares will be, as appropriate, issued and redeemed in the currency of denomination of the relevant Class. However, certain of the assets held on behalf of a Fund may be invested in securities and other

investments which are denominated in other currencies. If set out in relevant Supplement, the Management Company will, as far as is reasonably practicable, seek to hedge out foreign currency exposure at Fund level by entering into forward foreign exchange transactions or other methods of reducing exposure to currency fluctuations but each Fund will necessarily be subject to foreign exchange risks. In addition, if set out in the relevant sections of the relevant Supplement, the foreign exchange exposure of the assets attributable to each Fund is, generally, hedged in order to minimise, so far as reasonably practicable, the impact of fluctuations in the exchange rate between the currency of denomination of the relevant Class of Shares and the Reference Currency of the relevant Fund, if different.

Notwithstanding the foregoing, and noting that hedging techniques may not be completely effective, where the currency exposure of a Fund is not fully hedged, the value of the assets of that Fund may be affected favorably or unfavorably by fluctuations in currency rates. To the extent that hedging techniques are successful, performance of the relevant Class is likely to move in line with the performance of the underlying assets and investors in a hedged Class will not benefit if the value of the currency of denomination of the relevant Class falls against the Reference Currency of the relevant Fund. Furthermore, prospective investors whose assets and liabilities are predominantly in currencies other than the currency of denomination of the Shares in which they have invested should take into account the potential risk of loss arising from fluctuations in value between the currency of denomination of such Shares and such other currencies. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

### **Currency Options Trading**

The Funds may acquire and sell currency options, the value of which depend largely upon the likelihood of favorable price movements in the underlying currency in relation to the exercise (or strike) price during the life of the option. Many of the risks applicable to trading the underlying currencies are also applicable to over-the-counter options trading. In addition, there are a number of other risks associated with the trading of options including the risk that the purchaser of an option may at worst lose his entire investment (the premium he pays).

### **Derivatives**

The Funds may utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of their investment policies. These instruments can be highly volatile and expose investors to a high risk of loss. Such instruments normally require only low initial margin deposits in order to establish a position in such instruments and may permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited.

The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

### **Particular Risks of OTC Derivatives**

Unlike exchange-traded instruments, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC derivatives, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Fund greater flexibility to tailor the instrument to its needs, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC derivatives are deemed not to be legally enforceable or are not documented correctly.

Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be difficult to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

There also may be a legal or documentation risk that the parties to the OTC derivatives 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 the Company to enforce its contractual rights may lead the Company to decide not to pursue its claims under the OTC derivatives. The Company thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the Company has incurred the costs of litigation.

European Union Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or “**EMIR**”), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivative contracts by requiring certain “eligible” OTC derivatives contracts to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of OTC derivatives contracts to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Company.

While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime and whether the UCITS Directive will be amended to reflect the requirements of EMIR. Accordingly, it is difficult to predict the full impact of EMIR on the Company and the Funds, which may include an increase in the overall costs of entering into and maintaining OTC derivatives contracts. The Directors and the Management Company will monitor the position. However, prospective investors and Shareholders should be aware that the regulatory changes arising from EMIR may in due course adversely affect the ability of the Funds to adhere to their respective investment policies and achieve their investment objective.

### **Counterparty Risk**

The Funds will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

Some of the markets in which a Fund may effect transactions are “over-the-counter” (or “**interdealer**”) markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such “over-the-counter” transactions. This exposes the relevant Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Fund has concentrated its transactions with a small group of counterparties. Moreover, the Funds shall only transact with eligible counterparties and each counterparty to a financial derivative transaction must be eligible under the UCI Law and permitted by the CSSF.

## Options

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (paid to establish the short position) of the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

## Developing Markets

The Funds may invest in developing market debt securities, foreign exchange instruments and equities which may lead to additional risks being encountered when compared with investments in developed markets.

Investment in developing market securities involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, developing market securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities market regulation, less favorable tax provisions, and a greater likelihood of severe inflation, unstable or not freely convertible currency, war and expropriation of personal property than investments in securities of issuers based in developed countries. In addition, the investment opportunities of the Funds in certain developing markets may be restricted by legal limits on foreign investment in local securities.

Developing markets may not be as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in developing markets are lower than in developed countries. When seeking to sell developing market securities, little or no market may exist for the securities. In addition, issuers based in developing markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. Furthermore, the quality and reliability of official data published by the government or securities exchanges in developing markets may not accurately reflect the actual circumstances being reported.

Some developing markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. The issuers of some of these securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and therefore potentially carry greater risk. In addition, settlement of trades in some developing markets is much slower and subject to a greater risk of failure than in markets in developed countries. Further, custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Company will not be recognised as the owner of securities held on its behalf by a sub-custodian.

With respect to any developing market country, there is the possibility of nationalisation, expropriation or confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the

Company, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of the Funds' investments in those countries. Further, the economies of developing countries generally are heavily dependent upon international trade and, accordingly, have been, and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

### **Effect of Substantial Redemptions**

Substantial redemptions by Shareholders within a short period of time could require a Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the assets of the Fund and/or disrupting the Management Company's investment strategy. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in a Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

### **Forward Foreign Exchange Contracts**

A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are generally effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of electronically linked participants. Documentation of transactions generally consists of an exchange of facsimile messages. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. The Funds are subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the Funds to cover their commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

### **Information Rights**

Upon request by a Shareholder, the Management Company may provide a Shareholder with information about a Fund and its positions where the Directors determine that there are sufficient confidentiality agreements and procedures in place. This information may not be systematically provided to all other Shareholders in a Fund (but will be available to all Shareholders if requested). As a result, the Shareholder that has received this information may be able to act on such additional information that other Shareholders may not systematically receive. Accordingly, not all Shareholders will have the same degree of access to the type and/or frequency of individual position listings in connection with the Company and transparency of portfolio characteristics may differ based on individual agreements with investors.



## **Investment Management Risk**

The investment performance of a Fund may be substantially dependent on the services of certain individuals. In the event of the death, incapacity, departure, insolvency or withdrawal of these individuals, the performance of the Fund may be adversely affected.

## **Legal Risk**

The Funds may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the developing countries in which assets of the Funds' may be invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Funds and their operations.

## **Net Asset Value Considerations**

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder or if there remain any unamortised costs and expenses of establishing the Company. In addition, where there is any conflict between Luxembourg GAAP and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value, the latter principles shall take precedence.

In calculating a Fund's Net Asset Value, the Administrator may consult the Management Company with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Management Company's other duties and responsibilities in relation to the Funds, the Management Company will endeavour to resolve any such conflict of interest fairly.

## **Price Fluctuations**

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

## **Strategy Risk**

Strategy risk is associated with the failure or deterioration of an entire strategy such that most or all Investment Managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple Investment Managers in the same investment or general economic or other events that adversely affect particular strategies. The strategies employed by the Funds may be speculative and involve substantial risk of loss in the event of such failure or deterioration, in which event the performance of the Funds may be adversely affected.

## **Tax Considerations**

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund is incorporated, established or resident for tax purposes. A Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of

securities held by that Fund or the counterparty to a transaction involving that Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The relevant Fund may not be able to recover such tax and so any change could have an adverse effect on the Net Asset Value of the Shares.

Where a Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by that Fund or the Company (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares in that Fund. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the relevant Fund.

### **Transaction Costs**

The investment policies of the Funds may involve a high level of trading and turnover of the investments of the Funds which may generate substantial transaction costs which will be borne by each Fund separately.

### **Clearing House Protections**

On many exchanges, the performance of a transaction by a broker (or a third party with whom it is dealing on the Company's behalf) is "guaranteed" by the exchange, clearing house or central counterparty clearing house ("CCP"). However, this guarantee is unlikely in most circumstances to cover the Company and may not protect the Company if a broker or another party defaults on its obligations to the Company. In particular, there is a risk that a clearing member or other person through whom trades are cleared may default or become insolvent. There is also a risk that the clearing house or CCP itself may default or become insolvent.

While on a clearing member default, positions and the associated collateral value may be capable of being transferred to, or replaced by new trades with, a substitute clearing member, there can be no guarantee that this will occur. The associated collateral value transferred to a substitute clearing member may not be of the same type as the Company has transferred in respect of a particular Fund's positions and may not reflect the full amount of the relevant Fund's exposure to the clearing member.

However, a substitute clearing member may not accept the positions and, in such event, the positions may be closed out and the resulting collateral balance paid to the relevant Fund. The collateral returned may not be of the same type as the collateral originally transferred to the clearing member. The collateral balance ultimately received may not reflect the full amount of the relevant Fund's exposure to the clearing member. The closing out of positions may also cause a breach of the relevant Fund's Investment Objective, Investment Policy and/or investment restrictions and may result in a reduction in the ability to hedge the currency exposure of the relevant Fund.

Where a clearing house or CCP itself defaults or becomes insolvent, the consequences are hard to predict and will depend in part on the jurisdiction and rules of the relevant clearing house or CCP. However, the consequences can be expected to be significant. Loss of positions and associated collateral is likely and there may be significant delays in any assets being returned.

### **Profit Sharing**

In addition to receiving a monthly fee for the provision of its services, the Management Company may also receive a Performance Fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee (if any) will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a Performance Fee may be paid on

unrealised gains, which may subsequently never be realised. The Performance Fee (if any) may create an incentive for the Management Company to make investments for a Fund, which are riskier than would be the case in the absence of a fee based on the performance of a Fund.

### **Redemption Risks**

Payment of redemption proceeds may be delayed if the Directors declare a temporary suspension of the determination of the Net Asset Value of the Company or a Fund in any of the exceptional circumstances as described under the section of this Prospectus headed “Valuation – Suspension of Valuation of Assets”.

### **Undervalued/Overvalued Securities**

One of the key objectives of a Fund may be to identify and invest in undervalued and overvalued securities (“**misvalued securities**”). The identification of investment opportunities in misvalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognised. While purchases of undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the investments of the Funds may not adequately compensate for the business and financial risks assumed.

The Funds may make certain speculative investments in securities which the Management Company believes to be misvalued; however, there can be no assurance that the securities purchased and sold will in fact be misvalued. In addition, the Funds may be required to maintain positions in such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the capital of the Funds may be committed to the securities, thus possibly preventing the Funds from investing in other opportunities.

### **Volatility**

There are a large number of risks inherent in trading of the nature contemplated by the Funds. Price movements are volatile and are affected by a wide variety of factors, including changing supply and demand relationships, credit spread fluctuations, interest rate and exchange rate fluctuations, the accuracy of implied correlations and implied volatilities of investments, international events and government policies and actions with respect to economic, exchange control, trade, monetary, military and other issues. These price movements could result in significant losses to a Fund. Conversely, the absence or a low degree of volatility may reduce the opportunities for potentially profitable transactions and adversely affect the performance of a Fund.

The Directors have the power to apply “swing pricing” methodology. The application of swing pricing methodology may increase the volatility of the Net Asset Value per Share of a Fund.

### **Availability of Investment Strategies**

The success of the investment activities of the Funds will depend on the Management Company’s ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Funds involves a high degree of uncertainty. No assurance can be given that the Management Company will be able to locate suitable investment opportunities in which to deploy all of the Funds’ assets or to exploit discrepancies in the securities and derivatives markets. A reduction in money market liquidity or the pricing inefficiency of the markets in which the Funds seek to invest, as well as other market factors, will reduce the scope for the implementation of the Funds’ investment strategies.

The Funds may be adversely affected by unforeseen events involving such matters as changes in interest rates, exchange rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in

relative value, short squeezes, inability to short stock or changes in tax treatment.

### **Other Activities of the Management Company**

The Management Company and its members, officers, employees and affiliates, including those involved in the investment management of the Funds may be engaged in businesses in addition to the investment management of the Funds. The Management Company may have proprietary interests in, and manage and advise, other accounts or funds which may have investment objectives similar or dissimilar to those of the Funds and/or which may engage in transactions in the same types of securities and instruments as the Funds. The Funds' performance may differ significantly from the results achieved by the Management Company for other accounts managed or advised by the Management Company. When making an investment where conflicts of interest arise, the Management Company will endeavour to act in a fair, reasonable and equitable manner as between the Company and its other clients. Personnel of the Management Company are not required to devote all or any specified portion of their time to managing the affairs of the Company and are not required to accord exclusivity or priority to the Company in the event of limited investment opportunities, but will devote to the Company so much of their time as the Management Company deems necessary or appropriate. The Management Company may choose to trade or rebalance separate products with similar strategies at different times. Investment activities by the Management Company on behalf of other clients may give rise to additional conflicts of interest and demands on their time and resources. The Management Company and its members, officers, employees and affiliates may from time to time act as directors, investment managers, administrators or prime brokers in relation to or otherwise be involved with other companies established by parties other than the Company. In such event, should a conflict of interest arise, the Management Company will endeavour to ensure that it is resolved fairly.

### **Interest Rate Risk**

The Company is subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. In a low nominal interest rate environment such decreases in value may be more pronounced. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Company may attempt to minimise the exposure of the portfolio to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Management Company will be successful in fully mitigating the impact of interest rate changes on the portfolio.

### **ESG and sustainability Risk**

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

The lack of common or harmonized definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by Investment Managers when setting ESG objectives. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may be based on metrics that may share the same name, but have different underlying meanings. In evaluating a security based on the ESG and sustainability criteria, the Management Company may also use data sources provided by external ESG research providers. Given the evolving nature of ESG, these data sources may, for the time being, be incomplete, inaccurate or unavailable. Applying responsible business conduct standards in the investment process of the Fund may lead to the exclusion of securities of certain issuers. Consequently, the relevant Fund's performance may at times be better or worse than the performance of comparable funds that do not apply such standards.

## **Fund Specific Risks**

Please review the relevant Supplement for reference to specific risks associated with each particular Fund.

## CONFLICTS OF INTEREST

The Directors, the Management Company, the Depositary and the Administrator and/or their respective affiliates or any person connected with them (together the **"Relevant Parties"**) may from time to time act as director, manager, distributor, trustee, custodian, depositary, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Funds or which may invest in the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Funds. The Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the Funds and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Any Relevant Party may deal with the Company as principal or as agent, provided that it complies with applicable law and regulation and the provisions of the Management Agreement, the Administration Agreement and Depositary Agreement, to the extent applicable.

The Management Company or any of its affiliates or any person connected with the Management Company may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Funds. Neither the Management Company nor any of its affiliates nor any person connected with the Management Company is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Funds or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Company and other clients.

In calculating a Fund's Net Asset Value, the Administrator may consult with the Management Company with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Management Company or any sub-investment manager in determining the Net Asset Value of a Fund and the entitlement of the Management Company or any sub-investment manager to a management fee which is calculated on the basis of the Net Asset Value of the Fund.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

The Directors will seek to ensure that any conflict of interest of which they are aware is resolved fairly.

## USE OF DEALING COMMISSIONS

The Management Company may effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the Management Company. The services which can be paid for under such arrangements are those permitted under applicable laws and regulations, namely those that relate to the execution of transactions on behalf of customers or the provision of investment research to the Management Company. The benefits provided under such arrangements will assist the Management Company in the provision of investment management services to the Company and to other third parties. Specifically, the Management Company may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgment of the Management Company, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research, analysis and advisory services may be used by the Management Company in connection with transactions in which the Company will not participate.

The above arrangements are subject to the following conditions: (i) the Management Company will act at all times in the best interest of the Company when entering into such arrangements; (ii) the services provided will be in direct relationship to the activities of the Management Company for the Company; (iii) brokerage commissions on portfolio transactions for the Company will be directed by the Management Company to broker-dealers that are entities and not to individuals; (iv) the Management Company will provide periodic reports to the Directors with respect to such arrangements including the nature of the services it receives; and (v) agreements relating to such arrangements will be listed in such periodic reports.

## CO-MANAGEMENT AND POOLING

To ensure effective management of the Company, the Directors may decide to manage all or part of the assets of one or more Funds with those of other Funds in the Company (so-called "pooling") or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more Funds with the assets of other Luxembourg investment funds or of one or more funds of other Luxembourg investment funds (hereinafter referred to as the "**Party(ies) to the co-managed assets**") for which the Company's Depositary is the appointed depositary bank. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective Prospectuses and investment restrictions.

Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets. Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets. The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Directors may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets. Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets. All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a Fund of the Company, when such a Fund takes part in co-management and even if the Management Company has complied with the investment restrictions applicable to the co-managed assets in question, the Management Company shall reduce the investment in question in proportion to the participation of the Fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the Fund.

When the Company is liquidated or when the Directors of the Company decide to withdraw the participation of the Company or a Fund of the Company from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management in as much as all Parties to the co-managed assets have the same depositary bank. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the portion of assets and liabilities attributable to each Fund of the Company will be constantly identifiable.



## GENERAL INFORMATION

### Shareholder meetings

Notice of any general meeting of Shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Fund) shall be mailed to each Shareholder at least eight (8) days prior to the meeting and/or shall be published to the extent and in the manner required by Luxembourg law as shall be determined by the Directors.

If the Articles are amended, such amendments shall be filed with the Luxembourg Trade and Companies' Register and published in the *Recueil électronique des sociétés et associations*. The provisions of the Articles are binding on all Shareholders.

The annual general meeting takes place at the registered office of the Fund each year on the third Tuesday of the month of April. If such day is not a Business Day in Luxembourg, the annual general meeting shall be held on the next following Business Day in Luxembourg.

The Shareholders of any Class or Fund may hold, at any time, general meetings to decide on any matters that relate exclusively to such Class or Fund.

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

### Reports and financial statements

Detailed audited reports of the Company on its activities and on the management of its assets are published annually; such reports shall include, *inter alia*, the combined accounts relating to all the Funds, a detailed description of the assets of each Fund and a report from the Auditor.

The semi-annual unaudited reports of the Company on its activities are also published including, *inter alia*, a description of the investments underlying the portfolio of each Fund and the number of Shares issued and redeemed since the last publication.

The Company's financial statements will be prepared in accordance with Luxembourg GAAP. The combined accounts of the Company are maintained in Euro being the Reference Currency of the Company. The financial statements relating to the separate Funds shall also be expressed in the Reference Currency of the relevant Fund.

The Company's accounting period will end on 31 December in each year. The Company will prepare an annual report and audited annual accounts within four months of the financial period to which they relate i.e. by 30 April of each year. Copies of the unaudited half yearly reports (made up to 30 June in each year) will also be prepared within two months of the end of the half year period to which they relate i.e. by 31 August of each year. Upon request, these reports will be sent free of charge to any Shareholder and copies may be obtained free of charge by any person at the registered office of the Company.

### Dissolution and liquidation of the Company

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

Whenever the share capital falls below two-thirds of the minimum capital indicated in the Articles, the question of the dissolution of the Company shall be referred to a general meeting of

Shareholders by the Directors. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares represented at the meeting and voting.

The question of the dissolution of the Company shall also be referred to a general meeting of Shareholders whenever the share capital falls below one quarter of the minimum capital set by the Articles; in such event, the general meeting shall be held without any quorum requirement and the dissolution may be decided by Shareholders holding one quarter of the Shares represented at the meeting and voting.

The meeting must be convened so that it is held within a period of forty (40) days from the date that the net assets have fallen below two-thirds or one quarter of the legal minimum, as the case may be.

Liquidation shall be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the CSSF and appointed by the general meeting of Shareholders that shall determine their powers and their compensation.

The net proceeds of liquidation of each Fund shall be distributed by the liquidators to the holders of Shares of each Class of the relevant Fund in proportion to their holding of such Class.

Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of Luxembourg law. Such law specifies the steps to be taken to enable Shareholders to participate in the distribution of the liquidation proceeds and provides for a deposit in escrow at the *Caisse de Consignation* at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

### **Closure of Funds and Classes**

In the event:

- (A) that for any reason the value of the total net assets in any Class or Fund has not reached or has decreased to an amount determined by the Directors to be the minimum level for such Class or Fund to be operated in an economically efficient manner; or
- (B) of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation; or
- (C) that the Directors otherwise consider the closure of the Fund and/or a Class to be in the best interests of the Shareholders,

the Directors may decide to redeem all the Shares of the relevant Class or Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses) determined as of the Valuation Point at which such decision shall take effect and therefore close the relevant Class or Fund.

The Company shall give a written notice to the Shareholders of the relevant Class or Fund prior to the date on which the compulsory redemption is to become effective, which will indicate the reasons and the procedure for such redemption operations. The Shareholders of the relevant Class or the Fund will be entitled to request the redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the effective date of the compulsory redemption.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the Shareholders of any Class or Fund acting at a general meeting of the Shareholders of such Class or Fund may, upon a proposal from the Directors, require the redemption of all the Shares of the relevant Class or Fund and the refunding to the relevant Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated as of the Valuation Point at which such decision shall take

effect. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of the Shares represented at the meeting and voting.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto. All redeemed Shares shall be cancelled. The liquidation of the last remaining Fund of the Company will result in the liquidation of the Company under the conditions of the UCI Law.

### **Mergers of the Company, Funds and Classes**

In the event:

- (A) that for any reason the value of the total net assets of the Company or in any Fund has not reached or has decreased to an amount determined by the Directors to be the minimum level for the Company or such Fund to be operated in an economically efficient manner; or
- (B) of a change in the political, economic or monetary situation or as a matter of economic rationalisation; or
- (C) that the Directors otherwise consider the merger of the Company and/or the relevant Fund to be in the best interests of the Shareholders,

the Directors may decide to proceed with a merger (as defined by the UCI Law) of the assets of the Company or any Fund with those of (i) another existing Fund within the Company or another sub-fund of another Luxembourg or foreign UCITS (the “**new sub-fund**”) or of (ii) another Luxembourg or foreign UCITS (the “**new UCITS**”), and to re-designate the Shares of the Company or the Fund concerned as Shares of the new UCITS or the new sub-fund, as applicable.

The Directors will decide on the effective date of the merger it has initiated.

Such a merger shall be subject to the conditions and procedures imposed by the UCI Law, in particular concerning the merger project to be established by the Directors and the information to be provided to the Shareholders.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, a merger (within the meaning of the UCI Law) of the assets and of the liabilities attributable to any Fund with another Fund within the Company may be decided upon by a general meeting of the Shareholders of the Fund concerned for which there shall be no quorum requirements and which will decide upon such a merger by resolutions taken by simple majority vote of the Shares represented at the meeting and voting. The general meeting of the Shareholders of the Fund concerned will decide on the effective date of such a merger it has initiated within the Company, by resolution taken with no quorum requirement and adopted at a simple majority of the Shares represented at the meeting and voting.

The Shareholders may also decide a merger (within the meaning of the UCI Law) of the assets and of the liabilities attributable to the Company or any Fund with any new UCITS or new Fund within another UCITS. Such a merger and the decision on the effective date of such a merger shall require resolutions of the shareholders of the Company or Fund concerned taken with fifty per cent quorum requirement of the Shares in issue and adopted at a two-thirds majority of the Shares represented at the meeting and voting, except when such a merger is to be implemented with a Luxembourg UCITS of the contractual type (“*fonds commun de placement*”), in which case resolutions shall be binding only on such Shareholders who have voted in favour of such merger. If the merger is to be implemented with a Luxembourg UCITS of the contractual type (“*fonds commun de placement*”), Shareholders who have not voted in favour of such merger will be considered as having requested the redemption of their Shares, except if they have given written instructions to the contrary to the Company. The assets which may not or are unable to be distributed to such Shareholders for whatever reason will be

deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

Where the Company is the absorbed entity, which thus ceases to exist, irrespective of whether the merger is initiated by the Directors or by the Shareholders, the general meeting of Shareholders of the Company must decide the effective date of the merger. Such general meeting is subject to a quorum requirement of fifty per cent of the Shares in issue and to a two-thirds majority vote of the Shares represented at the meeting and voting.

In the same circumstances as described above for the merger of Funds, the Directors are entitled to reorganise Share Classes by changing their characteristics, so as to merge a Share Class into one or more other Share Classes of the same Fund. The Company shall give a written notice to the Shareholders of the relevant Share Class or Classes one month prior to the date on which such reorganisation is to become effective, which will indicate the reasons for and the procedure of such reorganisation. The Shareholders of the relevant Share Class or Classes will be entitled to request redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the reorganisation.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Share Class may, upon a proposal from the Directors, decide to reorganise Share Classes by changing their characteristics, so as to merge one or more Share Classes with one or more other Share Classes of the same Fund. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of the Shares represented at the meeting and voting.

#### **Divisions of Funds and Classes**

In the event:

- (A) that the Directors determine that the division of a Fund is in the best interests of the Shareholders of the relevant Fund; or
- (B) of a change in the political, economic or monetary situation relating to the relevant Fund or as a matter of economic rationalisation,

one Fund may be reorganised, by means of a division into two or more Funds.

The Company shall give a written notice to the Shareholders of the relevant Fund one month prior to the date on which such division is to become effective, which will indicate the reasons for and the procedure of such division. The Shareholders of the relevant Fund will be entitled to request the redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the division.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Fund may, upon a proposal from the Directors, approve the division of the relevant Fund into two or more Funds. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of the Shares represented at the meeting and voting.

In the same circumstances as described above for the division of Funds, the Directors are entitled to reorganise Share Classes by changing their characteristics, so as to divide a Share Class into two or more different Share Classes of the same Fund. The Company shall give a written notice to the Shareholders of the relevant Share Class or Classes one month prior to the date on which such reorganisation is to become effective, which will indicate the reasons for and the procedure of such reorganisation. The Shareholders of the relevant Share Class or Classes will be entitled to request redemption or switch of their Shares without the payment of any applicable redemption charge (but taking into account actual redemption prices of investments and realisation expenses) prior to the effective date of the reorganisation.

Notwithstanding the powers conferred to the Directors as described in the previous paragraph, the general meeting of Shareholders of any Share Class may, upon a proposal from the Directors, decide to reorganise Share Classes by changing their characteristics, so as to divide a Share Class into two or more different Share Classes of the same Fund. There shall be no quorum requirements for such general meeting of Shareholders which shall decide by resolution taken by simple majority of the Shares represented at the meeting and voting.

### **Directors' interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Company and the Shares are set out below:

Mr. Eric Wilwant is an employee of Eagle Asset Management, the Investment Manager of the Fund as further described in Supplement 2.

The Directors or companies of which they are officers or employees may subscribe for Shares in the Company. Their applications for Shares will rank *pari passu* with all other applications.

### **Indemnity**

The Articles provide that every Director, agent, auditor, or officer of the Company and his personal representatives shall be indemnified and secured harmless out of the assets of the Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him in or about the conduct of the Company business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Company in any court whether in Luxembourg or elsewhere. No such person shall be liable: (i) for the acts, receipts, neglects, defaults or omissions of any other such person; or (ii) by reason of his having joined in any receipt for money not received by him personally; or (iii) for any loss on account of defect of title to any property of the Company; or (iv) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or (v) for any loss incurred through any bank, broker or other agent; or (vi) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, unless the same shall happen through his own gross negligence, willful misconduct or fraud against the Company.

### **Documents available**

Copies of the Articles, the Prospectus and Supplements, the KIIDs and the latest annual and semi-annual reports of the Company may be obtained free of charge during usual business hours on any Business Day upon request addressed to the registered office of the Company.

Information on the best execution policy for each Fund is available to Shareholders upon request addressed to the Management Company.

A summary description of the strategy for the exercise of voting rights for each Fund, if and to the extent applicable in light of the investment objective and policy of the Fund, is available to Shareholders upon request addressed to the Management Company.

The essential terms of the arrangements relating to any fees, commissions or non-monetary benefits paid or provided in relation to the activities of management and investment administration of the Company shall be provided to the Shareholders in a summary form through the periodical information sent to Shareholders and/or within the periodical financial reports issued by the Company. Additional information may be provided to the Shareholders upon request addressed to the Management Company.

Complaints concerning the operation or marketing of the Company may be referred to the Management Company. Complaints should be addressed to the registered office of the Management Company.

## APPENDIX 1: INVESTMENT RESTRICTIONS AND POWERS

The Directors shall, based upon the principle of risk spreading, have power to determine the corporate and investment policy for the investments for each Fund, the Reference Currency of a Fund and the course of conduct of the management and business affairs of the Company. Except to the extent that more restrictive rules are provided for in connection with a specific Fund under the relevant Supplement, the investment policy shall comply with the investment rules and restrictions laid down hereafter:

### 1. Permitted Investments

The investments of a Fund must comprise only one or more of the following:

- 1.1 Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- 1.2 Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public;
- 1.3 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 an Non-Member State which is regulated, operates regularly and is recognised and open to the public;
- 1.4 Recently issued Transferable Securities and Money Market Instruments, provided that:
  - (A) the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, stock exchange or on another regulated market as described under 1.1 to 1.3 above;
  - (B) such admission is secured within one year of issue;
- 1.5 Units of UCITS and/or other UCIs within the meaning of article 1 (2), points a) and b) of the UCITS Directive, whether or not established in a Member State, provided that:
  - (A) such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - (B) the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (C) the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - (D) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- 1.6 Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (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 EU law;

1.7 Financial derivative instruments, in particular options and futures, including equivalent cash-settled instruments, dealt in on a Regulated Market or other market referred to in 1.1 to 1.3 above, and/or financial derivative instruments dealt in over-the-counter (“over-the-counter derivatives” / “OTC”), provided that:

(A) the underlying consists of instruments covered by this section 1, financial indices, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objectives;

the counterparties to over-the-counter derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF,

the over-the-counter derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative; and

exposure to the underlying assets does not exceed the investment restrictions set out in 2.13 below;

(B) Under no circumstances shall these operations cause the Fund to diverge from its investment objectives.

1.8 Money Market Instruments other than those dealt in on a Regulated Market, and which fall within the definition given in the Definitions section of this Prospectus, to the extent that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

(A) issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a Non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more member states of the EU belong; or

(B) issued by an undertaking any securities of which are dealt in on Regulated Markets, stock exchanges or other eligible markets referred to in 1.1, 1.2 or 1.3 above; or

(C) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU 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 EU law; or

(D) issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with 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 or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

1.9 Shares issued by one or several other Funds of the Company (the “**Target Fund**”), under the following conditions:

(A) the Target Fund does not invest in the investing Fund;



- (B) not more than 10 % of the assets of the Target Fund may be invested in other Funds of the Company;
- (C) the voting rights linked to the Transferable Securities of the Target Fund are suspended during the period of investment; and
- (D) in any event, for as long as these securities are held by the Company, their value will not be taken into consideration for the calculation of the Net Asset Value for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law.

1.10 However, each Fund:

- (A) shall not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments other than those referred to above under 1.1 to 1.4 and 1.8 above;
- (B) shall not acquire either precious metals or certificates representing them;
- (C) may hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Directors consider this to be in the best interest of the Shareholders;
- (D) may acquire movable and immovable property which is essential for the direct pursuit of its business;
- (E) may borrow (i) up to 10% of its net assets on a temporary basis and (ii) may borrow up to 10% of its net assets to enable the acquisition of immovable property essential for the direct pursuit of its business. Where a Fund is authorised to borrow under points (i) and (ii), that borrowing shall not exceed 15% of its assets in total. Collateral arrangements with respect 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
- (F) may acquire foreign currency by means of a back-to-back loan.

## **2. Investment Restrictions**

- 2.1 For the purpose of calculating the restrictions described in 2.3 to 2.7 and 2.10 below, companies which are included in the same Group of Companies are regarded as a single issuer.
- 2.2 To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk diversification rules.

### **Transferable Securities and Money Market Instruments**

- 2.3 No Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

- (A) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of such issuer; or
  - (B) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and over-the-counter derivative transactions made with financial institutions subject to prudential supervision.
- 2.4 A Fund may invest on a cumulative basis up to 20% of its net assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.
- 2.5 The limit of 10% set forth above under 2.3(A) above 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 Non-Member State or by a public international body of which one or more Member State(s) are member(s).
- 2.6 The limit of 10% set forth above under 2.3(A) above 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 control 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 Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Fund.
- 2.7 The securities specified under 2.5 and 2.6 above are not to be included for purposes of computing the ceiling of 40% set forth under 2.3(B) above.
- 2.8 **Notwithstanding the ceilings set forth above, each Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State of the EU, by its local authorities, by any other Member State of the OECD such as the US, by certain non-Member States of the OECD (currently Brazil, Indonesia, Russia and South Africa) or by a public international body of which one or more Member State(s) of the EU are member(s) (collectively, “Public Issuers”), provided that (i) such securities are part of at least six different issues and (ii) the securities from any or such issue do not account for more than 30% of the net assets of such Fund.**
- 2.9 When investing in financial derivative instruments on Transferable Securities or Money Market Instruments issued or guaranteed by Public Issuers, the diversification requirements set out in the preceding paragraph do not need to be complied with, provided however that any direct investments in the relevant Transferable Securities or Money Market Instruments together with any investments in financial derivative instruments on such Transferable Securities or Money Market Instruments do not represent, on an aggregate basis, more than 100% of the relevant Fund’s net assets.
- 2.10 Without prejudice to the limits set forth hereunder under 2.22 and 2.23 below, the limits set forth in 2.3 above are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Fund’s investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:
- (A) the composition of the index is sufficiently diversified,

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

(C) 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, provided that any investment up to this 35% limit is only permitted for a single issuer.

### **Bank Deposits**

2.11 A Fund may not invest more than 20% of its net assets in deposits made with the same body.

### **Derivative Instruments**

2.12 The risk exposure to a counterparty in over-the-counter derivative transactions and efficient portfolio management techniques (as described below) may not exceed 10% of the Fund's net assets when the counterparty is a credit institution referred to in 1.6 above or 5% of its net assets in other cases.

2.13 Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in this section. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined with the limits set out above.

2.14 When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of 1.7 above as well as with the risk exposure and information requirements laid down in the present Prospectus.

### **Units of open-ended funds**

2.15 Unless otherwise provided in a Fund's specific part of this Prospectus, a Fund may not invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs. If a Fund is authorised to invest in aggregate more than 10% of its net assets in the units of other UCITS or other UCIs, the investment in the units of a single other UCITS or a single other UCI may however not exceed 20% of the relevant Fund's net assets.

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

2.17 A Fund that invests a substantial proportion of its assets in other Funds of the Company, other UCITS and/or other UCIs shall disclose in the relevant Fund's part of this Prospectus the maximum level of the management fees that may be charged both to the Fund itself and to the other Fund, other UCITS and/or other UCIs in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Fund itself and to the other Fund, other UCITS and/or other UCIs in which it invests.

### **Master-Feeder structure**

2.18 Each Fund may act as a feeder fund (the "Feeder") of a master fund. In such case, the

relevant Fund shall invest at least 85% of its assets in shares/units of another UCITS or of a sub-fund of such UCITS (the “**Master**”), which is not itself a Feeder nor holds units/shares of a Feeder. The Fund, as Feeder, may not invest more than 15% of its assets in one or more of the following:

- (A) ancillary liquid assets in accordance with article 41 second indent of second paragraph of the UCI Law;
- (B) financial derivative instruments, which may be used only for hedging purposes, in accordance with article 41 first indent, point g) and article 42 second and third indents of the UCI Law;
- (C) movable and immovable property which is essential for the direct pursuit of the Company’s business.

2.19 When a Fund invests in the shares/units of a Master, that Master may not charge subscription or redemption fees on account of the Fund’s investment in the shares/units of the Master.

2.20 A Feeder Fund that invests into a Master shall disclose in the relevant Fund’s part of this Prospectus the maximum level of the management fees that may be charged both to the Feeder Fund itself and to the Master in which it intends to invest. In its annual report, the Company shall indicate the maximum proportion of management fees charged both to the Fund itself and to the Master. The Master shall not charge subscription or redemption fees for the investment of the Feeder into its shares/units or the disinvestment thereof.

#### **Combined limits**

2.21 Notwithstanding the individual limits laid down in 2.3, 2.10 and 2.11 above, a Fund shall not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:

- (A) investments in Transferable Securities or Money Market Instruments issued by that body;
- (B) deposits made with that body; and/or
- (C) exposures arising from over-the-counter derivative transactions undertaken with that body and efficient portfolio management techniques.

2.22 The limits set out in 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 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 2.3, 2.5, 2.6, 2.10, 2.11 and 2.20 above may not exceed a total of 35% of the net assets of each Fund.

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

2.24 The Company may acquire no more than (i) 10% of the outstanding non-voting shares of the same issuer; (ii) 10% of the outstanding debt securities of the same issuer; (iii) 10% of the Money Market Instruments of any single issuer; or (iv) 25% of the outstanding shares or units of the same UCITS or other UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time

the gross amount of the debt securities or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

2.25 The limits set forth above under 2.22 and 2.23 do not apply in respect of:

- (A) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- (B) Transferable Securities and Money Market Instruments issued or guaranteed by any Non-Member State;
- (C) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members; or
- (D) Shares in the capital of a company which is incorporated under or organised pursuant to the laws of a state which is not a Member State provided that (i) such company invests its assets principally in securities issued by issuers having their registered office in that state, (ii) pursuant to the laws of that State a participation by the relevant Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that state, and (iii) such company observes in its investments policy the restrictions set forth under 2.3, 2.7, 2.10, 2.11 and 2.14 to 2.23.
- (E) Shares held by one or more Funds in the capital of subsidiary companies which carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of shares at the request of Shareholders exclusively on its or their behalf.

### **3. Global Exposure**

A Fund shall ensure that its global exposure relating to derivative instruments and efficient portfolio management techniques does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

### **4. Additional investment restrictions**

- 4.1 No Fund may acquire commodities or precious metals or certificates representative thereof.
- 4.2 No Fund may invest in real estate or any option, right or interest therein 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.
- 4.3 The investment policy of a Fund may replicate the composition of an index of securities or debt securities, in compliance with applicable laws and regulations, in particular, the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the UCI Law and implementing the UCITS Directive and ESMA Guidelines 2012/832.
- 4.4 A Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Fund from investing in Transferable Securities which are not fully paid-up, Money Market Instruments or other financial instruments, as mentioned in 1.5, 1.7 and 1.8 above.
- 4.5 The Company may not enter into uncovered sales of Transferable Securities, Money

Market Instruments or other financial instruments as listed in 1.5, 1.7 and 1.8 above.

- 4.6 The ceilings set forth above may be disregarded by each Fund when exercising subscription rights attaching to securities in such Fund's portfolio.
- 4.7 If such ceilings are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, such 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.
- 4.8 The Directors have 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 Company are offered or sold.

#### **5. Efficient portfolio management techniques and instruments**

- 5.1 The Company does not intend to make use of techniques and instruments relating to Transferable Securities and Money Market Instruments for efficient portfolio management purposes. Should the Company decide to use such efficient portfolio management techniques and instruments this Prospectus would be amended accordingly.

#### **6. Collateral policy for OTC derivatives and for efficient portfolio management techniques**

Risk exposure to a counterparty to OTC derivatives and/or efficient portfolio management techniques will take into account collateral provided by the counterparty in the form of assets eligible as collateral under applicable laws and regulations, as summarised in this section. The following provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2012/832 and/or any additional guidance issued from time to time by the CSSF.

All assets received by the Company on behalf of a Fund in the context of efficient portfolio management techniques are considered as collateral for the purpose of this section.

Where the Company on behalf of a Fund enters into OTC financial derivative transactions and/or efficient portfolio management techniques, all collateral received by the Fund must comply with the criteria listed in ESMA Guidelines 2012/832 in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability.

The maximum exposure of a Fund to any given issuer included in the basket of collateral received is limited to 20% of the Net Asset Value of the Fund or such other ratio permitted under ESMA Guidelines 2012/832, as determined by the Management Company. Reinvested cash collateral will be diversified in accordance with this requirement.

Permitted types of collateral will be limited to the following:

- cash and cash equivalents, which include cash on bank accounts, short-term bank certificates and Money Market Instruments such as treasury and local authority bills, certificates of deposit, commercial paper, medium-term notes and bankers' acceptance;
- Transferable Securities or Money Market Instruments issued or guaranteed by Public Issuers, as defined above, which are expected to be predominantly issued or guaranteed by the US government; and
- bonds and other debt instruments qualifying as Transferable Securities or Money Market Instruments, with a minimum rating of A or equivalent assigned by a

nationally recognized ratings agency.

The Company will determine the required level of collateral for OTC derivatives and efficient portfolio management techniques by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. In particular, under current market conditions, OTC derivatives will generally be collateralised up to 100% of their positive mark-to-market value. The level of collateralisation may vary in function of the type of collateral posted at any time. Currently the Company does not use efficient portfolio management techniques. Should the Company use such techniques in the future, this Prospectus will be amended to include further details on the level of collateral applicable thereto.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. The policy, established in accordance with the ESMA Guidelines 2012/832, takes into account, notably, the credit quality of the issuer of the collateral, maturity, currency, price volatility and the result of liquidity stress tests carried out by the Company under normal and exceptional liquidity conditions. On the basis of this haircut policy, the Company expects that (i) collateral in the form of Transferable Securities or Money Market Instruments issued or guaranteed by Public Issuers, as detailed above, will generally be subject to a haircut of approximately 5%, and (ii) collateral in the form of bonds and other debt instruments qualifying as Transferable Securities or Money Market Instruments, as detailed above, will generally be subject to a haircut of approximately 10%. No haircut will generally be applicable to collateral in the form of cash and cash equivalents, as detailed above.

Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the relevant Fund. For other types of collateral arrangement, the collateral can be held by a third-party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Non-cash collateral received cannot be sold, reinvested or pledged.

Cash collateral received can only be:

- placed on deposit with eligible credit institutions;
- invested in high-quality government bonds
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; or
- invested in eligible short-term money market funds.

A Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund to the counterparty at the conclusion of the transaction. The 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 Fund.

The Company may enter into OTC financial derivative instruments cleared through a clearinghouse that serves as a central counterparty. In such case, the Company's ultimate counterparty is a central clearinghouse rather than a brokerage firm, bank or other financial institution. The Company initially will enter into cleared derivatives through an executing broker. Such transactions will then be submitted for clearing and held at regulated financial intermediaries that are members of the clearinghouse that serves as the central counterparty. For these trades, the Company, on behalf of a Fund, will post and/or receive collateral in the form of daily margin payments in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Company will ensure that the

relevant clearinghouse rules and functioning are in accordance with its collateral policy.

Further information on collateral management is also included in the Supplement for each Fund, where relevant. Investors in any Fund which has entered into OTC derivatives and/or efficient portfolio management techniques may obtain free of charge, on request, information on collateral management including the categories of assets accepted as collateral, the level of collateralization of such transactions and the particular discount rates applied for each relevant asset class.



## SUPPLEMENT 1: REAMS UNCONSTRAINED BOND

The information contained in this part of the Prospectus in relation to REAMS Unconstrained Bond (for the purposes of this Supplement 1, the “Fund”) should be read in conjunction with the full text of this Prospectus.

<b>Name of Fund</b>	REAMS Unconstrained Bond
<b>Investment Manager</b>	With the consent of the Company, the Management Company has appointed Reams, a division of Scout Investments as Investment Manager to manage and invest the assets of the Fund pursuant to its respective investment objectives and policies and in accordance with the investment management agreement dated January 30 <sup>th</sup> 2018. Scout Investments is a wholly-owned subsidiary of Carillon Tower Advisers and is located in St. Petersburg, Florida, United States of America. The Investment Manager maintains an experienced portfolio management and investment analysis and research staff. As of 30 September 2019, assets under the management of the Investment Manager were approximately \$24.2 billion.
<b>Investment Objective</b>	<p>The investment objective of the Fund is to maximize risk-adjusted total return by systematically pursuing relative value opportunities throughout all sectors of the fixed income market.</p> <p>There can be no assurance that the Fund will achieve its investment objective.</p>
<b>Profile of Typical Investor</b>	The Fund is targeted for investors seeking maximum total return over a long-term horizon who are prepared to accept a moderate level of volatility from time to time and the possibility of a higher level of volatility under exceptional market circumstances.
<b>Investment Policy</b>	<p>The Fund pursues its objective by investing at least 51% of its assets in fixed income instruments. The fixed income instruments in which the Fund may invest can be of varying maturities and include bonds, debt securities, mortgage- and asset-backed securities (including to-be-announced securities) and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities.</p> <p>The portfolio duration of the Fund will normally not exceed 8 years but may be greater based on market conditions. The Fund may also have a negative duration. Duration is a measure used to determine the sensitivity of a security’s price to changes in interest rates. The longer a security’s duration, the more sensitive it will be to changes in interest rates. A portfolio with negative duration generally incurs a loss when interest rates and yields fall.</p> <p>The Fund may invest in both investment grade securities and non-investment grade securities, also known as high yield securities or “junk” bonds. Investment grade securities include securities rated in one of the four highest rating categories by a recognized statistical rating organization, such as BBB- or higher by Standard &amp; Poor’s Ratings Group (“S&amp;P®”). The actual</p>

exposure of the Fund to non-investment grade securities, which may include securities having the lowest rating for their category and unrated securities of equivalent investment quality, may vary depending on prevailing market circumstances and opportunities, as determined by the Management Company. Although the Management Company does not expect to invest a significant portion of the portfolio in such securities on a long-term basis, investors should note that the Fund may, from time to time, invest up to 60% of its assets in non-investment grade securities.

The Fund may purchase or sell securities on a when-issued, delayed delivery or forward commitment basis. The Fund will not engage in short sales; however, the Fund may, from time to time, gain short exposure to securities and other investments using derivative instruments.

The Fund will not invest more than 60% of its assets in asset-backed securities and mortgage-backed securities. All asset-backed securities and mortgage-backed securities will be traded on Regulated Markets, stock exchanges or other eligible market meeting UCITS eligibility requirements, mainly in the US. All asset-backed securities and mortgage-backed securities will be debt instruments with limited recourse meeting UCITS eligibility requirements. Subject to the above, the Investment Manager expects to invest mostly in various forms of mortgage-backed securities (MBS) (single- and multi-class pass-through securities and collateralized mortgage obligations, commercial or residential). The main categories of underlying assets of such securities are pools of mortgage loans or other mortgage-backed securities that are directly or indirectly guaranteed by the US government or one of its agencies or instrumentalities or issued without any governmental guarantee of the underlying mortgage assets but with some form of non-governmental credit enhancement. Other categories of underlying assets for asset-backed securities include motor vehicle installment sales contracts; installment loan contracts; home equity loans; leases of various types of property and receivables from credit card issuers or other revolving credit arrangement. Particular risks apply to investments in asset-backed securities and mortgage-backed securities, as further detailed below.

#### Sustainability and taxonomy related disclosures

Pursuant to SFDR, the Fund does not promote any ESG characteristics. As such, the Investment Manager does not integrate into its investment decision any ESG characteristics pursuant to SFDR since the Fund does not invest in any securities with embedded ESG criteria.

Moreover, the Fund does not have a sustainable investment objective pursuant to SFDR.

Principal adverse impacts of investment decisions on sustainability factors are not currently considered due to the lack of available and reliable data. The situation will however be reviewed going forward.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities as per the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment ("**Taxonomy Regulation**").

The Fund may invest without limitation in derivative instruments, such as options, futures contracts (including interest rate futures contracts), currency forwards and/or swap agreements (including credit default swaps) subject to applicable law and any other restrictions described in the Prospectus or Supplement. It is expected that the Fund will predominantly use exchange-traded and/or other centrally cleared derivatives. For these trades, the Fund will post and/or receive collateral in the form of daily margin payments in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The use of derivative transactions may allow the Fund to obtain net long or short exposures to select currencies, interest rates, countries, duration and/or credit risks. These derivatives may be used to enhance Fund returns, increase liquidity and/or gain exposure to certain instruments or markets (e.g., the corporate bond market) in a more efficient or less expensive way. The Fund's investment in credit default swap agreements may include both single-name credit default swap agreements and credit default swap index products, such as CDX index products, qualifying as financial indices under applicable rules. The credit default swap agreements that the Fund invests in may provide exposure to an index of securities representative of the entire investment grade and high yield fixed income markets, which can include underlying issuers rated as low as CCC by S&P®. It is the Fund's policy to use only credit default swaps that are centrally cleared by major regulated clearinghouses predominantly in the US.

Derivative instruments that provide exposure to fixed income instruments may be used to satisfy the Fund's policy to invest at least 51% of its assets in fixed income instruments.

The Management Company attempts to maximize total return by pursuing relative value opportunities throughout all sectors of the fixed income market. The Management Company screens hundreds of securities to determine how each will perform in various interest rate environments. The Management Company constructs these scenarios by considering the outlook for interest rates, fundamental credit analysis and option-adjusted spread analysis, compares these investment opportunities and assembles the Fund's portfolio from the best available values. The Management Company constantly monitors the expected returns of the securities in the Fund versus those available in the market and of other securities the Management Company is considering for purchase. The Management Company's strategy is to replace securities that it feels are approaching fair market value with those that, according to its analysis, are significantly undervalued. As a result of this strategy, the Fund's portfolio turnover rate will vary from year to year depending on market conditions.

The Fund may invest in securities and instruments that are economically tied to one or more countries other than the United States (including non-US Dollar denominated securities and instruments, non-US Dollar cash and forward positions and US Dollar denominated securities of issuers outside the United States), if economic and business conditions warrant such investment. The Fund will invest no more than 30% of its assets in investments in developing countries or emerging markets.

The Fund may hold ancillary liquid assets pursuant to article 41 (2) b) of the UCI Law. Ancillary liquid assets should be limited to bank deposits at sight up to 20% of the net assets of the Fund. This limit shall only be temporarily breached for a period of time strictly necessary in the case of exceptionally unfavourable market conditions, and at all times in the best interests of investors.

The Fund is actively managed.

**Investment in collective investment schemes**

The Fund will not invest more than 10% of its net assets in aggregate in the units of other UCITS or other collective investment schemes.

**Leverage**

The calculation method for the Fund is defined in the table below:

Global Risk Exposure calculation	Target average level of leverage (% value)
Absolute VaR	250

The average leverage of the Fund, under normal market conditions, calculated as Absolute VaR is expected to be 250%, although lower or higher levels are possible.

Leverage is defined pursuant to the applicable ESMA guidelines and circular CSSF 11/512 (as modified by circular CSSF 18/698) as the sum of the absolute values of the notional amounts of the derivatives used by the Fund. According to the definition, leverage may result in artificially increased leverage amounts, as some derivatives that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.

The expected leverage is expressed in the table above as a ratio between the sum of the absolute notional value and the Net Asset Value of the Fund and is based on historical data. A greater leverage amount may be attained by the Fund under certain circumstances.

**Dealing Day**

Each Business Day, which is also a business day in the United States being any day when the banks are fully open in the United States.

<b>Dealing Request Deadline</b>	4.00 pm CET on each Dealing Day.
<b>Valuation Point</b>	6.00 pm CET on each Dealing Day.
<b>Net Asset Value Publication</b>	2.00 pm CET on the Business Day following each Dealing Day.
<b>Share Classes</b>	Details of Share Classes are available in Table I of this Supplement. Additional information on Share Classes (e.g. ISIN codes) may be available on request addressed to the Administrator.
<b>Duration</b>	The Fund is established for an unlimited duration.
<b>Fund Specific Risks</b>	Investors' attention is particularly drawn to the section entitled "Risk Factors" of the Prospectus as well as the risk factors below.

#### **Market Risks**

The Fund's investments are subject to market risk, which may cause the value of the Fund's investments to decline, sometimes rapidly or unpredictably, due to factors affecting securities markets generally, particular geographic regions or particular industries. If the value of the Fund's investments goes down, the value of the Shares will go down, and you may lose money. U.S. and international markets have experienced extreme volatility, reduced liquidity, credit downgrades, increased likelihood of default and valuation difficulties in recent years.

#### **Fixed Income Security Risks**

The Fund's investments are subject to the risks inherent in individual fixed income security selections. Yields and principal values of debt securities (bonds) will fluctuate. Generally, values of debt securities change inversely with interest rates. As interest rates go up, the value of debt securities tends to go down. As a result, the value of the Fund may go down. Furthermore, these fluctuations tend to increase as a fixed income security's time to maturity increases, so a longer-term fixed income security will decrease more for a given increase in interest rates than a shorter-term fixed income security. Fixed income securities may also be affected by changes in the credit rating or financial condition of their issuers.

#### **Maturity Risks**

The Fund will invest in fixed income securities of varying maturities. Generally, the longer a fixed income security's maturity, the greater the risk. Conversely, the shorter a fixed income security's maturity, the lower the risk.

#### **Credit Risks**

Credit risk is the risk that the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.. The Fund, therefore, will bear the risk of the counterparty's default or a delay in settlement due to a credit or liquidity problem affecting the counterparty. A downgrade of counterparty's credit rating may oblige the Fund to terminate the relevant contract in order to ensure compliance with its investment policy and/or the applicable regulations.

### **High Yield Security Risks**

High yield securities involve greater risk than investment grade securities, including the possibility of default or bankruptcy. They tend to be more sensitive to economic conditions than higher-rated debt securities and, as a result, are generally more sensitive to credit risk than securities in the higher-rated categories. High yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments. Periods of economic uncertainty generally result in increased volatility in the market prices of these securities.

### **Issuer Risks**

The risk that the value of a security may decline for a reason directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

### **Credit Ratings Risks**

Ratings by nationally recognized ratings agencies generally represent the agencies' opinion of the credit quality of an issuer and may prove to be inaccurate.

### **Income Risks**

The Fund's income could decline due to falling market interest rates. In a falling interest rate environment, the Fund may be required to invest its assets in lower-yielding securities

### **Mortgage- and Asset-Backed Securities Risks**

The Fund may invest in mortgage- and other asset-backed securities. Mortgage-backed securities represent direct or indirect participation in mortgage loans secured by real property, and include single- and multi-class pass-through securities and collateralized mortgage obligations. Asset-backed securities have structural characteristics similar to mortgage-backed securities. However, the underlying assets are not mortgage loans. Instead, they include assets such as motor vehicle installment sales contracts, installment loan contracts, home equity loans, leases of various types of property and receivables

from credit card issuers or other revolving credit arrangements. Movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain types of mortgage- and asset-backed securities. Mortgage- and asset-backed securities can also be subject to the risk of default on the underlying mortgages or other assets. Mortgage- and asset-backed securities are subject to fluctuations in yield due to prepayment rates that may be faster or slower than expected.

The yield characteristics of mortgage- and asset-backed securities differ from those of traditional debt obligations. Among the principal differences are that interest and principal payments are made more frequently on mortgage- and asset-backed securities, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans or other assets generally may be prepaid at any time. As a result, if the Fund purchases these securities at a premium, a prepayment rate that is faster than expected will reduce yield to maturity, while a prepayment rate that is slower than expected will have the opposite effect of increasing the yield to maturity. Conversely, if the Fund purchases these securities at a discount, a prepayment rate that is faster than expected will increase yield to maturity, while a prepayment rate that is slower than expected will reduce yield to maturity. Accelerated prepayments on securities purchased by the Fund at a premium also impose a risk of loss of principal because the premium may not have been fully amortized at the time the principal is prepaid in full. The market for privately issued mortgage- and asset-backed securities is smaller and less liquid than the market for government sponsored mortgage-backed securities.

The Fund may invest in stripped mortgage- or asset-backed securities which receive differing proportions of the interest and principal payments from the underlying assets. The market value of such securities generally is more sensitive to changes in prepayment and interest rates than is the case with traditional mortgage- and asset-backed securities, and in some cases the market value may be extremely volatile. With respect to certain stripped securities, such as interest only and principal only classes, a rate of prepayment that is faster or slower than anticipated may result in the Fund failing to recover all or a portion of its investment, even though the securities are rated investment grade.

The price of a debt instrument such as a mortgage- or asset-backed security depends, substantially, on the issuer's credit quality or ability to pay principal and interest when due. The price of a debt instrument is likely to fall if an issuer defaults on its obligation to pay principal or interest or if the instrument's credit rating is downgraded by a credit rating agency. The issuer may default on its obligation to pay principal or interest because of changes in specific market, economic, industry, political, regulatory, geopolitical, and other conditions that affect the underlying assets or collateral of the instrument. In particular, these changes may cause borrowers of underlying mortgages or loans to default on their obligations and/or the guarantees

supporting the mortgage- or asset-backed securities to default. Enforcing rights against the underlying assets, collateral or guarantees may be difficult, or the underlying assets, collateral or guarantees may be insufficient to pay principal and/or interest when due. In such a case, the Fund could incur substantial losses.

Payment of principal and interest on some mortgage-backed securities (but not the market value of the securities themselves) may be guaranteed by a Public Issuer such as the US government, or by agencies or instrumentalities of the US government (which guarantees are supported only by the discretionary authority of the US government to purchase the agency's obligations). Certain mortgage-backed securities created by non-governmental issuers may be supported by various forms of insurance or guarantees, while other such securities may be backed only by the underlying mortgage collateral.

Mortgage-backed securities that are issued or guaranteed by the US government or any of its agencies or instrumentalities may be subject to higher concentration limits than other non-governmental securities, as set forth under Appendix I "Investment Restrictions and Powers" of this Prospectus.

A Fund investing in mortgage- or asset-backed securities may face liquidity risk if it cannot sell a security at the most opportunistic time and price. Therefore, a Fund investing in mortgage- or asset-backed securities may face higher liquidity risk than a Fund investing in other types of securities.

Mortgage- or asset-backed securities may be issued by entities, including special purpose vehicles, domiciled and/or administered in a variety of jurisdictions, each with their own corporate, securities and bankruptcy laws and regulations, which may offer various degrees of protection to holders of securities issued by such entities. Therefore, a Fund investing in mortgage- or asset-backed securities may face higher legal risks than a Fund investing in other types of securities. See also "Legal Risks" in the general part of this Prospectus.

### **International Investing Risks**

International investing poses additional risks. If a security owned by the Fund is denominated in another currency than the Reference Currency of the Fund, the value of the foreign currency may fluctuate relative to the Reference Currency and cause a loss to the Fund. International markets may be subject to political instability, which may make foreign investments more volatile than investments in domestic markets. International markets are not always liquid, sometimes making it harder to sell a security. In addition, foreign companies may not be subject to comparable accounting, auditing and financial reporting standards as EU or United States companies, and therefore, information about the foreign companies may not be readily available. To the extent the Fund invests a significant portion of its assets in a single country



or region, the Fund may be subject to increased risk associated with the country or region. The risks of investing in foreign securities may be increased if the investments are located in developing countries or emerging markets. Security prices in emerging markets can be significantly more volatile than those in more developed markets, reflecting the greater uncertainties of investing in less established markets and economies. These risks are inherently passed on to the company's shareholders, including the Fund, and in turn, to the Shareholders.

As markets become more globalized, many US companies are increasing international business operations and are subject to international investing risks. Funds that invest in larger US companies, such as the Fund, are subject to some degree of international risk as a result of these holdings and, to a lesser degree, as a result of owning direct or indirect interests in foreign companies (typically large multi-national companies).

### **Portfolio Turnover Risks**

When the Fund experiences a high portfolio turnover rate, you may realize significant taxable capital gains as a result of frequent trading of the Fund's assets and the Fund will incur transaction costs in connection with buying and selling securities, which may lower the Fund's return.

### **Liquidity Risks**

Liquidity risk is the risk that certain securities may be difficult or impossible to sell at the time and price that the Management Company would like to sell. In recent years, following the global financial crisis, fixed income markets in which the Fund may invest have experienced liquidity disruptions from time to time. Fixed income instruments becoming less liquid may lead to difficulties in valuation and valuation losses on such instruments. The sale of fixed income instruments in times of liquidity disruption may result in realized losses as the Management Company may have to lower the price, sell other securities instead or forego an investment opportunity. In addition, it may take longer than expected for the Management Company to be able to liquidate fixed income instruments, in particular larger portions of the portfolio.

### **Valuation Risks**

The securities held by the Fund are generally priced by an independent pricing service and may also be priced using dealer quotes or fair valuation methodologies in accordance with valuation procedures adopted by the Fund.

The prices provided by the independent pricing service or dealers or the fair valuations may be different from the prices used by other mutual funds or from the prices at which securities are actually bought and sold.

### **Derivative Risks**

Derivatives, such as options, futures contracts, currency forwards or swap agreements, may involve greater risks than if the Fund invested in the reference obligation directly. These instruments are subject to general market risks, liquidity risks, interest rate risks, credit risks and management risks. Derivatives also involve an increased risk of mispricing or improper valuation and may result in a loss of value to the Fund. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and the Fund could lose more than the principal amount invested. The derivatives market may be subject to additional regulations in the future.

### **Credit Default Swaps Risks**

Credit default swaps and related instruments, such as credit default swap index products, may involve greater risks than if the Fund invested in the reference obligation directly. These instruments are subject to general market risks, liquidity risks and credit risks, and may result in a loss of value to the Fund. The credit default swap market may be subject to additional regulations in the future.

### **Leverage Risks Associated with Financial Instruments**

The use of financial instruments to increase potential returns, including the use of when-issued, delayed delivery or forward commitment transactions, and derivatives used for investment (non-hedging) purposes, may cause the Fund to be more volatile than if it had not been leveraged. The use of leverage may also accelerate the velocity of losses and can result in losses to the Fund that exceed the amount originally invested.

### **Restrictions on Short Selling**

The Fund is not permitted under applicable law to enter into short sales of securities. In addition, securities regulators may ban any legal or natural person from entering into transactions which might constitute or increase a net short position on securities or other investments gained through derivative instruments. The purpose of such action is to closely monitor the functioning of the markets. Short selling bans may directly or indirectly impact the performance of the Fund, as implementation of their investment objective by alternative methods may reveal to be economically less efficient for the investors.

### **Management Risks**

The Fund is subject to management risk as an actively managed investment portfolio and depends on the decisions of the Management Company to produce the desired results.

**Table 1. REAMS Unconstrained Bond – Available Share Classes**

	<b>Class A Shares*</b>	<b>Class A Shares</b>	<b>Class B Shares*</b>	<b>Class B Shares*</b>
<b>Reference currency</b>	USD	EUR	EUR	GBP
<b>Currency Hedged</b>	No	Yes	Yes	Yes
<b>Accumulation or Distribution</b>	Accumulation	Accumulation	Accumulation	Accumulation
<b>Eligible Investors</b>	Institutional Investors	Institutional Investors	Institutional Investors, subject to approval by the Directors	Institutional Investors, subject to approval by the Directors
<b>Initial Offer Price</b>	USD 10 per Share	EUR 10 per Share	EUR 10 per Share	GBP 10 per Share
<b>Minimum Initial Subscription</b>	USD 100,000	EUR 100,000	EUR 100,000	GBP 100,000
<b>Minimum Additional Subscription</b>	USD 5,000	EUR 5,000	EUR 5,000	GBP 5,000
<b>Minimum Holding</b>	N/A	N/A	N/A	N/A
<b>Maximum Preliminary Charge**</b>	5%	5%	5%	5%
<b>Redemption Charge</b>	N/A	N/A	N/A	N/A
<b>Maximum investment management fee</b>	0.35%	0.35%	0.35%	0.35%
<b>Performance Fee</b>	N/A	N/A	N/A	N/A
<b>Cap on Fees and Expenses***</b>	0.45%	0.45%	0.45%	0.45%
<b>Annual rate of Taxe d'abonnement</b>	0.01%	0.01%	0.01%	0.01%
<b>Listing</b>	No	No	No	No

	<b>Class P Shares</b>	<b>Class A Shares</b>	<b>Class I Shares</b>	<b>Class I Shares</b>
<b>Reference currency</b>	USD	GBP	USD	GBP
<b>Currency Hedged</b>	No	Yes	No	Yes
<b>Accumulation or Distribution</b>	Accumulation	Accumulation	Accumulation	Accumulation
<b>Eligible Investors</b>	Retail and Institutional Investors	Institutional Investors, subject to approval by the Directors	All subscribers and in particular institutional investors	All subscribers and in particular institutional investors
<b>Initial Offer Price</b>	USD 10 per Share	GBP 10 per Share	USD 10 per Share	GBP 10 per Share
<b>Minimum Initial Subscription</b>	USD 150	GBP 100,000	USD 100,000	GBP 100,000
<b>Minimum Additional Subscription</b>	1 Share	GBP 5,000	1 Share	1 Share
<b>Minimum Holding</b>	N/A	N/A	N/A	N/A
<b>Maximum Preliminary Charge**</b>	5%	5%	5%	5%
<b>Redemption Charge</b>	N/A	N/A	N/A	N/A
<b>Maximum Investment Manager fee</b>	0.80%	0.35%	0.50%	0.50%
<b>Performance Fee</b>	N/A	N/A	N/A	N/A
<b>Cap on Fees and Expenses***</b>	1.05%	0.45%	0.75%	0.75%
<b>Annual rate of <i>Taxe d'abonnement</i></b>	0.05%	0.01%	0.05%	0.05%
<b>Listing</b>	No	No	No	No

	<b>Class Z Shares</b>	<b>Class Z Shares</b>	<b>Class Z Shares</b>
<b>Reference currency</b>	GBP	EUR	USD
<b>Currency Hedged</b>	Yes	Yes	No
<b>Accumulation or Distribution</b>	Accumulation	Accumulation	Accumulation
<b>Eligible Investors</b>	Institutional Investors	Institutional Investors	Institutional Investors
<b>Initial Offer Price</b>	GBP 10 per Share	EUR 10 per Share	USD 10 per Share
<b>Minimum Initial Subscription</b>	GBP 100,000	EUR 100,000	USD 100,000
<b>Minimum Additional Subscription</b>	GBP 5,000	EUR 5,000	USD 5,000
<b>Minimum Holding</b>	N/A	N/A	N/A
<b>Maximum Preliminary Charge**</b>	5%	5%	5%
<b>Redemption Charge</b>	N/A	N/A	N/A
<b>Maximum Investment Manager fee</b>	0.45%	0.45%	0.45%
<b>Performance Fee</b>	N/A	N/A	N/A
<b>Cap on Fees and Expenses***</b>	0.60%	0.60%	0.60%
<b>Annual rate of <i>Taxe d'abonnement</i></b>	0.01%	0.01%	0.01%
<b>Listing</b>	No	No	No

\*Class A USD Shares and Class B Shares are no longer open for subscriptions and only existing Shareholders of Class A USD Shares and Class B Shares have the possibility to subscribe for additional Class A USD Shares/Class B Shares respectively.

\*\*This is the maximum percentage of the amount subscribed that the Distributor is permitted to levy as preliminary charge on the sale of Shares to an investor. The Distributor has discretion to waive this charge in whole or in part.

\*\*\* The cap excludes transaction related fees and expenses.

## **SUSTAINABILITY AND TAXONOMY RELATED DISCLOSURE TO SUPPLEMENT 1**

The Fund does not promote any ESG characteristics but takes into account ESG risks in relation to its investments within the meaning of Article 6 the SFDR. As such, the Investment Manager does not integrate into its investment decision any ESG characteristics pursuant to SFDR since the Fund does not invest in any securities with embedded ESG criteria.

Reams employs a flexible, qualitative approach to ESG integration that focuses on identifying ESG risk factors and assessing their potential impact. These include long-term ESG risks that might erode an issuer's business prospects, competitive position, credit rating, refinancing capacity, and borrowing costs over time. In addition, ESG analysis can be used to highlight issuers with exposure to event risk with the potential to meaningfully impact the price of its securities in the short term.

In addition to understanding ESG risks, the Fund seeks to determine if these risks are material to the specific bond under consideration and whether or not the prevailing risk premium provides appropriate compensation for bearing them. Issuers with significant ESG risks may be considered un-investable in some circumstances and in others, the Fund would require a sufficiently high level of expected return to compensate for the incremental risk. The presence of material ESG risks might prompt it to prefer a shorter maturity bond over a longer maturity bond from the same issuer, for example. Within the same industry, all else being equal, the Fund may select a bond issued by a company with best-in-class ESG risk management practices over a bond issued by a company with a poor track record of managing its ESG risks.

Moreover, the Fund does not have a sustainable investment objective pursuant to SFDR.

Principal adverse impacts of investment decisions on sustainability factors are not currently considered due to the lack of available and reliable data. The situation will however be reviewed going forward.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities as per the Taxonomy Regulation.

## SUPPLEMENT 2: EAGLE US SMALL CAP STRATEGY

The information contained in this part of the Prospectus in relation to Eagle US Small Cap Strategy (for the purposes of this Supplement 2, the “Fund”) should be read in conjunction with the full text of this Prospectus.

<b>Name of Fund</b>	Eagle US Small Cap Strategy.
<b>Investment Objective</b>	The investment objective of the Fund is to seek long-term capital appreciation.
<b>Investor Profile</b>	The Fund is intended for both retail investors and institutional investors. The recommended investment timescale is approximately 5 years.
<b>Investment Policy</b>	During normal market conditions, the Fund seeks to achieve its objective by investing at least 80% of its net assets in the equity securities of US domiciled small-capitalization companies. The Fund’s Investment Manager considers small-capitalization companies to be those companies that, at the time of purchase, have a market capitalization equal to or less than the largest company in the Russell 2000® Index during the most recent 12-month.

Equity securities include common and preferred stocks, warrants or rights exercisable into common or preferred stock, and convertible preferred stock. Although the Fund’s primary focus is on the equity securities of small-capitalization companies, the Fund also may own a variety of other securities that, in the opinion of the Fund’s Investment Manager, offer prospects for meeting the Fund’s investment goals.

When making its investment decisions, the Investment Manager generally focuses on investing in the securities of small-capitalization companies that demonstrate growth potential at a price that does not appear to reflect the company’s true underlying value. The Investment Manager utilizes a three-pronged investment philosophy when evaluating potential additions to the Fund’s portfolio – Quality, Valuation and Balance. The Investment Manager seeks quality by investing in companies with superior cash-flow generation, management teams with a successful record of business-strategy execution, sustainable growth and a defensive business model. They seek attractive valuation using market fluctuations as opportunistic entry points. Finally, the Investment Manager attempts to balance the portfolio through sector-weight policies that provide diversification across major economic sectors. The Fund will sell securities when the Investment Manager believes they have become overvalued or if they no longer meet the Investment Manager’s investment criteria.

In addition to security selection, the Investment Manager believes it is important that it remain active shareholders. The Investment Manager seeks to engage on a regular basis with portfolio companies’ management teams to promote practices that the Investment Manager believes will generate long-term benefit to all constituents.

Furthermore, for proxy voting, the Investment Manager takes into consideration policies that seek to support shareholder rights and promote social, environmental responsibility and governance quality (ESG). The investment process values ESG factors and considers them along with fundamental analysis using a combination of in-house and third-party

research. Through a disciplined, fundamental, bottom-up research process that is cognizant of a range of ESG factors, the Investment Manager creates a balanced portfolio of high quality, durable franchises. Below is an outline of key ESG issues that the Investment Manager considers as part of our fundamental research into securities that are candidates for include in its strategies:

#### Environmental

The Investment Manager seeks companies that take a proactive approach to environmental stewardship. Therefore, the Investment Manager favours companies with:

- Policies, procedures and systems in place to manage environmental risks, including climate change, hazardous waste, toxic chemicals, water use, etc.;
- Lower and/or shrinking carbon footprints; and
- Standardized reporting of relevant information regarding environmental targets and performance.

#### Social

The Investment Manager seeks companies that take seriously their roles with respect to social responsibility. Under this wide umbrella, the Investment Manager prefers companies with a demonstrated commitment to:

- Fair employment practices, gender pay equality, anti-discrimination policies, safe working conditions, etc.;
- Community involvement, including philanthropy and volunteer activities;
- Diversity in the workplace and in leadership; and
- Protection of human rights.

#### Governance

Finally, the Investment Managers seeks to identify companies with excellent corporate governance practices that are reflected in policies and procedures that promote:

- Accountability and responsiveness of the board of directors and management to stakeholders;
- Responsible and ethical business practices, including product safety, employee protections, supply chain management, etc.; and
- Prudent capital management.

#### Sustainability and taxonomy related disclosures

Pursuant to SFDR, the Fund promotes ESG characteristics. As such, the Investment Manager integrates into its investment decision any ESG criteria pursuant to SFDR.

Moreover, the Fund does not have a sustainable investment objective pursuant to SFDR.

Additional ESG related information on the Fund may be found at [www.eagleasset.com](http://www.eagleasset.com). Details can also be found on this website in relation to the Investment Manager's sustainability related disclosures and, if relevant, its adverse sustainability impact statement.

While the Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any "sustainable investment" within the meaning of the SFDR or Regulation (EU)



2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (“Taxonomy Regulation”). Accordingly, it should be noted that the Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and its portfolio alignment with such Taxonomy Regulation is not calculated. Therefore, the “do not significant harm” principle does not apply to any of the investments of this Fund.

In addition, the Fund may invest up to 10% of its net assets in aggregate in the Units of other UCITS or other collective investment schemes.

The Fund may use derivative financial instruments corresponding to its main investment strategies, for investment purposes, as well as to ensure that the portfolio is managed efficiently and/or for hedging purposes.

The Fund may hold cash & cash equivalents, short-term money-market instruments and all other eligible financial assets, on an ancillary basis.

However, and when the Investment Manager wants to limit temporarily the Fund’s market exposure, the Investment Manager may invest up to 100% of the Fund’s net assets in cash, term deposits, fixed-income or money-market products, such as bonds, regularly traded money-market instruments whose residual maturity does not exceed 12 months, cash UCITS and UCI. The Fund shall, however, avoid any excessive concentration of its assets in a single other money-market UCITS or UCI and shall, in general, comply with the investment limitations and allocation rules described in Appendix 1 to this Prospectus. There are no restrictions on the currency of issue of these securities. Term deposits and cash & cash equivalents may not, however, exceed 49% of the Fund’s net assets; term deposits and cash held with any counterparty including the Depositary may not exceed 20% of the Fund’s net assets.

The Fund may hold ancillary liquid assets pursuant to article 41 (2) b) of the UCI Law. Ancillary liquid assets should be limited to bank deposits at sight up to 20% of the net assets of the Fund. This limit shall only be temporarily breached for a period of time strictly necessary in the case of exceptionally unfavourable market conditions, and at all times in the best interests of investors.

The Fund’s benchmark index is the Russell 2000 Index.

The Fund is actively managed. The Investment Manager refers to the index to determine the investable universe of small capitalization companies and for the calculation of the performance fee of some Classes.

The Fund will not invest more than 10% of its net assets in aggregate in the units or shares of other UCITS of all type of classification.

**Investment in  
collective investment  
schemes**

**Leverage**

The Fund does not make use of Leverage.

The commitment approach is used to monitor and measure the global exposure of the Sub-Fund.

**Dealing Day**

Each Business Day, which is also a business day in the United States being any day when the banks are fully open in the United States.

<b>Dealing Request Deadline</b>	4 pm (Luxembourg time) on each Dealing Day.
<b>Valuation Point</b>	On each Dealing Day, at the closing time for the market of reference.
<b>Net Asset Value Publication</b>	On the Business Day following each Dealing Day.
<b>Share Classes</b>	Details of Share Classes are available in Table I of this Supplement. Additional information on Share Classes (e.g. ISIN codes) may be available on request addressed to the Administrator.
<b>Duration</b>	The Fund is established for an unlimited duration.
<b>Performance Fee</b>	<p>The Management Company is entitled in respect of each designated Class to receive a Performance Fee calculated in relation to each Crystallisation Period (as defined below).</p> <p>For each Crystallisation Period, the Performance Fee payable will be equal to a specified percentage (as detailed in Table I of this Supplement for each designated Class) of the outperformance of the Adjusted Net Asset Value over the performance of the Russell 2000 Index (the "<b>Benchmark</b>") with regards the same Crystallisation Period.</p> <p>The Adjusted Net Asset Value is calculated based on the Net Asset Value per share of the relevant Class, net of all costs, and before any Performance Fee is accrued and/or any applicable swing factor is applied, and which is further adjusted to take into account all subscriptions and redemptions.</p> <p>Furthermore, the amount of the Performance Fee paid in relation to a Crystallisation Period shall not exceed 0.50% of the total net assets of the respective Class.</p> <p>The Fund applies a five (5) years reference period, applied on a rolling basis (the "<b>Reference Period</b>"). The Reference Period refers to the time horizon over which the performance of the Adjusted NAV is measured and compared with that of the Benchmark, and at the end of which the mechanism for the compensation for the Negative Bonus can be reset.</p> <p>The Performance Fee is calculated and payable as follows:</p> <ol style="list-style-type: none"> <li>1. <b>Absolute outperformance:</b> a Performance Fee shall be due in case the Adjusted Net Asset Value per share of the relevant Class outperform the Benchmark Performance over that same Crystallisation Period, subject to the provisions laid out in the section below Negative Performance (loss recovery) and 5-years reset. In such a case the Performance Fee calculated on the basis of outperformance of the Adjusted Net Asset Value per share of the relevant Class against the Benchmark (the "<b>Outperformance</b>");</li> <li>2. <b>Negative performance (loss recovery) and 5-years reset:</b> In case of a negative or nil performance of the Adjusted Net Asset Value per Share of the relevant Class against the Benchmark Performance over that same Crystallisation Period, no Performance Fee shall be due in respect of such Crystallisation Period and 100% of any such negative performance shall be carried forward to the following Crystallisation Period of the relevant Reference Period (the "<b>Negative Bonus</b>"). Hence, no Performance Fee will be payable in</li> </ol>

any given year as long as the Negative Bonus has not been fully recovered by subsequent Outperformance(s) over such Reference Period.

However, a Performance Fee accrual may be made if the Adjusted NAV per Share has outperformed the Benchmark even if the Adjusted NAV per Share return is negative.

Shareholders should note that, as the Performance Fee is calculated at a Class level and not at an individual Shareholder level.

The Crystallisation Period for the calculation and payment of the Performance Fee shall be a full calendar year starting on 1st January and ending on 31st December (the “**Crystallisation Period**”), except (i) for the year during which a Class is launched, where the Crystallisation Period shall be understood as being the period starting as of the launch date of the Share Class and ending the 31st of December of the following financial year, and (ii) if the Fund or any of its Classes is closed or subject to a merger in the course of a Crystallisation Period or where Classes are redeemed or converted into other Shares of any Class of any Fund or any Class of another existing fund on a date other than that on which a Performance Fee is paid while accruals have been made for the Performance Fee, such Performance Fee will be crystallized respectively at the date of the merger, closure, redemption or conversion and such Performance Fee will be considered as payable to the Management Company at the end of the Crystallisation Period (even if an accrual for the Performance Fee is no longer planned on this date) or in case of closure and/or merger at the effective date of such event.

The performance fee is paid on an annual basis, provided that the above conditions are met. It is payable within 10 calendar days at the end of each Crystallisation Period.

The performance fee is paid out at the expense of the respective share class and its currency.

For the purposes of calculating the Net Asset Value per share on each Valuation Date, the Performance Fee will be calculated as if the Crystallisation Period ended on such Valuation Date and if a Performance Fee would be payable on this basis, an appropriate accrual will be included in the Net Asset Value of the relevant Class.

Example of Performance Fee calculation:

Year	Adjusted Net Asset Value per Share	Performance of the Adjusted Net Asset Value per Share	Benchmark Performance	Cumulative Negative Bonus (on a 5 years rolling basis)	Absolute Outperformance (Outperformance – Negative Bonus)	Performance Fee Capped at 0.50%
1	15 USD	19%	13.5 %	0%	5.5%	1.1% Equals 20% of, 5.5%  After cap: 0.50%
2	13.5 USD	-10%	- 10 %	0%	0	0  After cap: 0

3	16.5 USD	22.22%	21 %	0%	1.22%	0.24 % Equals 20% of 1.22%  After cap: 0.24%%
4	16 USD	- 3.03 %	- 5 %	<b>0%</b>	<b>1.97%</b>	0.39% equals 20% of 1.97%  After cap: 0.39%
5	20 USD	25 %	28 %	<b>-3%</b>	<b>-3%</b>	0 After cap: 0
6	22 USD	10 %	6%	<b>-3%</b>	<b>1%</b>	0.20% equals 20 %  After cap: 0.20%

If the Main Delegation Agreement between the Management Company and the Company is terminated before the end of a Crystallisation Period, the Performance Fee in respect of the then current Crystallisation Period will be calculated and paid to the Management Company as though the date of termination were the end of the relevant Crystallisation Period.

**Fund Specific Risks**

The Fund's assets are subject to market fluctuations and the risks inherent in any investment in equities. Because it is very strongly linked to stock markets, the net asset value may fluctuate considerably.

It is possible that investors may not recover their initial investment.

**Discretionary Risk**

The discretionary management style is based on anticipating the evolution of the different equity markets. There is a risk that the Fund will not be invested at any time on the best performing markets.

**Risk of capital loss**

The Fund has no guarantee or protection and the capital originally invested may not be returned. Capital loss occurs when a share is sold for less than its value purchase.

**Equity Risk**

A decline in the equity markets may result in a decline in the net asset value of the Fund.  
The degree of exposure to equity risk is 90% minimum of the net assets of the Fund.

**Currency Risk**

This is the risk of currency fluctuations relative to the reference currency of the portfolio. Changes in the exchange rate may affect the value of equities and dividends. The exchange rate is determined by supply and demand on the currency market, by the balances of international payments, government interventions, speculation and other political and economical situations. Any change in the exchange rate of any currency may adversely affect the net asset value.

**Counterparty Risk**

In the context of over-the-counter transactions, the Fund is exposed to the default risk of the counterparty with whom the transaction is traded. This potential risk depends on the rating of the counterparties and may lead, in the event of a default of one of these counterparties, to a reduction of the net asset value of the Fund.

**Risk related to the use of forward financial instruments**

As a result of the use of derivative instruments, if the underlying markets decline, the net asset value of the Fund may decline in larger proportions.

**ESG and sustainability Risk**

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

The lack of common or harmonized definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by Investment Managers when setting ESG objectives. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may be based on metrics that may share the same name, but have different underlying meanings. In evaluating a security based on the ESG and sustainability criteria, the Investment Manager may also use data sources provided by external ESG research providers. Given the evolving nature of ESG, these data sources may, for the time being, be incomplete, inaccurate or unavailable. Applying responsible business conduct standards in the investment process of the Fund may lead to the exclusion of securities of certain issuers. Consequently, the Fund's performance may at times be better or worse than the performance of comparable funds that do not apply such standards.

**Other Risks indicated on an ancillary basis:**

**Interest rate risk**

It is the risk associated with a rise in bond yields, which causes bond prices and therefore the net asset value of the Fund to fall.

**Credit risk**

It represents the potential risk of a downgrade of the issuer's signature which will have a negative impact on the price of the security and therefore on the net asset value of the Fund. The risk may be increased by intervention on speculative securities.

**Table 1. EAGLE US SMALL CAP STRATEGY – Available Share Classes**

	<b>Class P Shares</b>	<b>Class I Shares</b>	<b>Class D Shares</b>
<b>Reference currency</b>	USD	USD	USD
<b>Currency Hedge</b>	NO	NO	No
<b>Accumulation or Distribution</b>	Accumulation	Accumulation	Distribution
<b>Eligible Investors</b>	All subscribers	All subscribers and in particular institutional investors	All subscribers
<b>Initial Offer Price</b>	To be determined based on US reference price	To be determined based on US reference price	USD 100.-
<b>Minimum Initial Subscription</b>	USD 150.-	USD 100,000.-	USD 100,000.-
<b>Minimum Additional Subscription</b>	1 share	1 share	1 share
<b>Minimum Holding</b>	N/A	N/A	N/A
<b>Maximum Preliminary Charge</b>	2%	2%	2%
<b>Redemption Charge</b>	N/A	N/A	N/A
<b>Performance Fee</b>	None	None	None
<b>Cap on Fees and Expenses</b>	2.40%	1.50%	1.50%
<b>Annual rate of <i>Taxe d'abonnement</i></b>	0.05%	0.05%	0.05%
<b>Listing</b>	No	No	No
<b>Maximum investment management fee</b>	2.10%	1.16%	1.16 %
<b>Investment Manager</b>	EAGLE ASSET MANAGEMENT INC	EAGLE ASSET MANAGEMENT INC	EAGLE ASSET MANAGEMENT INC

	<b>Class A Shares</b>	<b>Class R Shares</b>	<b>Class Z Shares</b>
<b>Reference currency</b>	USD	USD	USD
<b>Currency Hedge</b>	NO	NO	NO
<b>Accumulation or Distribution</b>	Accumulation	Accumulation	Accumulation
<b>Eligible Investors</b>	Institutional Investors, subject to approval by the Directors	Institutional Investors, subject to approval by the Directors	Institutional Investors
<b>Initial Offer Price</b>	USD 10	USD 10	USD 10
<b>Minimum Initial Subscription</b>	USD 100,000.-	USD 100,000.-	USD 100,000.-
<b>Minimum Additional Subscription</b>	USD 5,000.-	USD 5,000.-	USD 5,000.-
<b>Minimum Holding</b>	N/A	N/A	N/A
<b>Maximum Preliminary Charge</b>	2%	2%	2%
<b>Redemption Charge</b>	N/A	N/A	N/A
<b>Performance Fee</b>	None	Yes, 20% of the outperformance over the Benchmark, subject to a cap at 0.50% of the net assets of the Class	None
<b>Cap on Fees and Expenses</b>	0.60%	0.45%	0.90%
<b>Annual rate of <i>Taxe d'abonnement</i></b>	0.01%	0.01%	0.01%
<b>Listing</b>	No	No	No
<b>Maximum investment management fee</b>	0.45%	0.30%	0.75%
<b>Investment Manager</b>	EAGLE ASSET MANAGEMENT INC	EAGLE ASSET MANAGEMENT INC	EAGLE ASSET MANAGEMENT INC

## **SUSTAINABILITY AND TAXONOMY RELATED DISCLOSURE TO SUPPLEMENT 2**

Pursuant to SFDR, the Fund promotes ESG characteristics. As such, the Investment Manager integrates into its investment decision ESG criteria pursuant to SFDR.

However, the Fund does not have a sustainable investment objective pursuant to SFDR.

While the Fund promotes environmental characteristics within the meaning of Article 8 (1) of the SFDR, it does not currently commit to investing in any “sustainable investment” within the meaning of the SFDR or Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (“Taxonomy Regulation”). Accordingly, it should be noted that the Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and its portfolio alignment with such Taxonomy Regulation is not calculated. Therefore, the “do not significant harm” principle does not apply to any of the investments of this Fund.

The Investment Manager identifies and analyses sustainability risks (*i.e.* an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment) as part of its risk management process. The Investment Manager seeks to achieve the Investment Objective of the Fund, through active investment management. As part of that active management, the Investment Manager may use fundamental research which includes integration sustainability and/or ESG considerations, as further outlined below. The Investment Manager may also utilize positive or negative/exclusionary screens for the Fund. These screens may focus on ESG or sustainability as well as specific sectors.

By taking inventory of ESG issues and holding management teams accountable, the investment team can better identify companies that are focused on long-term sustainable growth. Moreover, by encouraging management teams to take stock of and to improve on certain environmental, social, and governance issues, the investment team can affect change that may not be as successful in a strict exclusionary approach. The investment team may divest from companies that fail to improve on specific issues; companies that fail to meet targets and objectives pertaining to ESG initiatives; or companies that are not receptive to engagement efforts by the investment team.

The pre-contractual disclosure to be provided with regard to this qualification pursuant to the Disclosure Regulation in conjunction with the Taxonomy Regulation can be found in the Annex II of Article 8 of the SFDR at the end of this prospectus.



### **SUPPLEMENT 3: Gay-Lussac Microcaps Europe**

The information contained in this part of the Prospectus in relation to Gay-Lussac Microcaps Europe (for the purposes of this Supplement 3, the “Fund”) should be read in conjunction with the full text of this Prospectus.

**Name of Fund** Gay-Lussac Microcaps Europe.

**Investment Objective** The objective of Fund is, within the framework of dynamic equity allocation determined by the management company, to take advantage of the development of small and medium-sized businesses (SMBs) in the euro zone, while seeking to reduce the risk of high fluctuations in the portfolio over a recommended investment period of 5 years, through companies distinguished by their good governance and promoting environmental and social characteristics.

**Investment Policy** At least 75% of the Fund is invested in equities issued by listed companies from having their headquarters in a Member State of the European Union. These securities are selected in line with a specific approach called "Macro Thematic Approach". Stocks are selected through large global transversal investment themes, defined from the global macroeconomic scenario chosen by the Management Company. These select themes are potential generators of performance and are independent of any country, sector or market considerations.

The financial analysis, based on quantitative and qualitative criteria, is then used to refine the selection of stocks that will be kept over time, focusing on the quality of the investment and acquisition price.

A maximum proportion of 25% of net assets may be invested in securities from countries not belonging to the euro zone.

The securities picked are based on an investment process that takes account of a global macro-economic scenario enabling the preferred investment themes to be identified. The Management Company then selects securities that match the investment themes chosen. These themes are defined by a theme orientation committee meeting every two months. A financial analysis based on quantitative criteria (operational leverage, generation of cash flows, valuation ratios, equity profitability, discount on the asset book value, yield, etc.) and qualitative criteria (profile of the business sector, quality of management, durability of the business model) is used to select securities. To do this, the manager of the Fund will favour private meetings with listed companies.

The investment strategy is as follows:

1. Definition of the investment universe through quantitative filters, using two risk factors: Low Volatility, Low Beta, one performance factor: High Momentum and one normative and sectorial exclusion criteria.
2. Selection of stocks that respond to major investment themes defined on the basis of the environmental and economic issues selected by the Management Company (e.g. energy efficiency, sustainable supply). These themes can change on a discretionary basis.
3. Validation of these values based on both financial and extra-financial analysis:
  - a. Financial analysis, based on quantitative and qualitative criteria, then makes it possible to refine the selection of stocks likely to be held over time, with an

emphasis on the quality of the investment (based in particular on the fundamentals of the target company) and the purchase price.

- b. The extra-financial analysis carried out internally and focused on environmental criteria (environmental policy, actions and results), social (attractiveness of the company measured by various criteria such as employee turnover, employee protection) and governance (respect for minority shareholders, composition of the board of directors). This analysis is carried out on the entire portfolio with a minimum rate of 90%. It is a selectivity approach with respect to the investable universe, by selecting "best in universe" stocks regardless of the sector of activity. The limits of his extra-financial analysis are the information communicated by the companies (for example missing or partial information).

The Fund holds a limited number of securities (around fifty).

A maximum of 25% of the portfolio's net assets may be invested in bonds and other negotiable debt securities from a member state in the euro zone, in money market securities and equity warrants.

The origin of the potential performance can come either from the management of the sector-specific allocation or the choice of securities. To a lesser extent, liquidity management may also contribute to this added value, equities constituting the preferred financial instrument for management of the Fund.

The portfolio may be invested in UCITS of all types of classification within the maximum limit of 10% of net assets.

#### 4. Construction and monitoring of the risk budget portfolio and monitoring of ESG controversies

##### 1) Assets (excluding derivatives):

###### ➤ Equities:

The Fund is eligible for the PEA, Plan d'épargne en actions (French regulated equity savings plan) and the PEA PME, Plan d'Épargne en Actions Petites et Moyennes Entreprises (French regulated small and mid-cap equity savings plan, SME PEA).

In order to allow the Fund to be eligible for the PEA as well as the SME PEA, a minimum of 75% of the Fund is invested in European equities issued by companies meeting the following criteria:

- fewer than 5,000 employees;
- annual turnover of less than 1,500 million euros; and
- a total balance sheet of less than 2,000 million euros.

These criteria are assessed when the Fund invests in the equities in question.

The Fund can invest at most 25% of its net assets in securities from countries not belonging to the euro zone. It can also invest in all types of market cap within that 25% limit. The Management Company will not intervene in emerging countries. The exchange rate risk will not be hedged.

###### ➤ Debt securities and money market instruments:

Up to a maximum of 25% of the Fund's net assets can be invested in bonds and other negotiable debt securities from a member state in the euro zone having an "investment grade" rating according to the rating system of at least one of the leading rating agencies and in line with the analyses of the Management Company, in money market securities and equity warrants. The sensitivity of the portfolio will be between 0 and 3.

In all, the degree of exposure to the interest rate risk is between 0% and 25% of net assets.

➤ Units or shares of other UCITS:

The Fund may not invest more than 10% of its net assets in units or shares of UCITS governed by French or European law in compliance with the European Directive 2009/65/EC.

**2) Securities with embedded derivatives:**

The Fund can invest up to 10% of its net assets, incidentally and in an opportunistic manner, in securities with embedded derivatives instead of in the underlying shares of these securities to achieve portfolio exposure. These instruments are limited to convertible bonds (ordinary bonds, indexed bonds, bonds redeemable for shares), equity warrants, warrants and guaranteed value certificates, which are all eligible pursuant to article 41 (1) of the UCI Law.

**3) Deposits:**

For the purposes of liquidity management, the Fund can have recourse to deposits invested in the same credit institution for up to 10% of net assets.

**4) Cash borrowing:**

The Fund may arrange temporary cash borrowings of up to 10% of the net asset value.

**5) Temporary purchases and disposals of securities: None**

**6) Management of financial guarantees:**

N/A.

The Fund may hold ancillary liquid assets pursuant to article 41 (2) b) of the UCI Law. Ancillary liquid assets should be limited to bank deposits at sight up to 20% of the net assets of a UCITS. This limit shall only be temporarily breached for a period of time strictly necessary in the case of exceptionally unfavourable market conditions, and at all times in the best interests of investors.

No existing index reflects the Fund's management objective.

The investment strategy employed makes any comparisons with a benchmark index meaningless.

<b>Investment in collective investment schemes</b>	The Fund will not invest more than 10% of its net assets in aggregate in the Units of other UCITS or other collective investment schemes.
<b>Leverage</b>	<p>The Fund does not make use of Leverage.</p> <p>The commitment approach is used to monitor and measure the global exposure of the Sub-Fund.</p>
<b>Dealing Day</b>	Each Business Day.
<b>Dealing Request Deadline</b>	Noon (Luxembourg time) on each Dealing Day.
<b>Valuation Point</b>	On each Dealing Day, at the closing time for the market of reference.
<b>Net Asset Value Publication</b>	On the Business Day following each Dealing Day.
<b>Share Classes</b>	Details of Share Classes are available in Table I of this Supplement. Additional information on Share Classes (e.g. ISIN codes) may be available on request addressed to the Administrator.
<b>Duration</b>	The Fund is established for an unlimited duration.
<b>Performance Fee</b>	<p>The Management Company is entitled in respect of each designated Class to receive a Performance Fee calculated in relation to each Crystallisation Period (as defined below).</p> <p>.</p> <p>For each Crystallisation Period, the Performance Fee payable will be equal to a specified percentage (as detailed in Table I of this Supplement for each designated Class) of the outperformance of Adjusted Net Asset Value over the Hurdle Rate (as detailed in Table I of this Supplement for each Class) with regards the same Crystallisation Period.</p> <p>The Adjusted Net Asset Value is calculated based on the Net Asset Value per share of the relevant Class, net of all costs, and before any Performance Fee is accrued and/or any applicable swing factor is applied, and which is further adjusted to take into account all subscriptions and redemptions.</p> <p>The Performance Fee is due only when the following condition are met:</p> <ul style="list-style-type: none"> <li>- the Adjusted Net Asset Value per share of the relevant Class as of the end of the relevant Crystallisation Period exceeds the "High Water Mark" ("HWM").</li> </ul> <p>The High Water Mark is the greater of:</p> <ol style="list-style-type: none"> <li>i. the Adjusted Net Asset Value per share of the relevant Class as of the end of the most recent Reference Crystallisation Period at which a Performance Fee was paid by such Class from (after reduction for the performance which Performance Fee then paid is deducted); and</li> <li>ii. if no Performance Fee has ever been paid, then the price per share of the relevant Class upon first issue.</li> </ol>

- the performance of the Adjusted Net Asset Value per share of the relevant Class during the Crystallisation Period is greater than the Hurdle Rate.

The Fund applies a five (5) years reference period, applied on a rolling basis (the “**Reference Period**”). The Reference Period refers to the time horizon over which the performance of the Adjusted NAV is measured and compared with that of the Benchmark, and at the end of which the mechanism for the compensation for the Negative Bonus can be reset.

The Performance Fee is calculated and payable as follows:

1. **Absolute outperformance:** a Performance Fee shall be due in case the Adjusted Net Asset Value per share of the relevant Class outperform both the (i) the High Water Mark **and** (ii) the Hurdle Rate that same Crystallisation Period. In such a case the Performance Fee calculated on the basis of outperformance of the Adjusted Net Asset Value per share of the relevant Class against the Hurdle Rate (the “**Outperformance**”);
2. **Negative performance (full loss recovery) and 5-years reset period:** In case of a negative or nil performance of the Adjusted Net Asset Value per Share of the relevant Class against the High Water Mark over that same Crystallisation Period, no Performance Fee shall be due in respect of such Crystallisation Period and 100% of any such negative performance shall be carried forward to the following Crystallisation Period of the relevant Reference Period (the “**Negative Bonus**”). Hence, no Performance Fee will be payable in any given year as long as the Negative Bonus has not been fully recovered by subsequent Outperformance(s) over such Reference Period.

Shareholders should note that, as the Performance Fee is calculated at a Class level and not at an individual Shareholder level

The Crystallisation Period for the calculation and payment of the Performance Fee shall be a full calendar year starting on 1st January and ending on 31st December (the “**Crystallisation Period**”), except (i) for the year during which a Class is launched, where the Crystallisation Period shall be understood as being the period starting as of the launch date of the Share Class and ending the 31st of December of the following financial year, and (ii) if the Fund or any of its Classes is closed or subject to a merger in the course of a Crystallisation Period or where Classes are redeemed or converted into other Shares of any Class of any Fund or any Class of another existing fund on a date other than that on which a Performance Fee is paid while accruals have been made for the Performance Fee, such Performance Fee will be crystallized respectively at the date of the merger, closure, redemption or conversion and such Performance Fee will be considered as payable to the Management Company at the end of the Crystallisation Period (even if an accrual for the Performance Fee is no longer planned on this date) or in case of closure and/or merger at the effective date of such event.

The Performance Fee is payable within 10 calendar days at the end of each Crystallisation Period.

For the purposes of calculating the Net Asset Value per share on each Valuation Date, the Performance Fee will be calculated as if the Crystallisation Period ended on such Valuation Date and if a Performance Fee would be payable on this basis, an appropriate accrual will be included in the Net Asset Value of the relevant Class.

Example of Performance Fee calculation:

Year	Adjusted Net Asset Value per Share	HWM (on a 5 years rolling basis)	Performance of the Adjusted Net Asset Value per Share	Hurdle Rate	Outperformance (against the Hurdle Rate)	Performance Fee
1	11 EUR	10.5 EUR	10 %	7%	3%	0.36% Equals 12% of, 3%
2	11.77 EUR	11.00 EUR	7 %	7%	0	0% No over performance
3	12.12 EUR	11.77 EUR	3 %	7%	0	0% Net underperformance - 4%
4	13.09 EUR	12.12 EUR	8 %	7%	1%	0% Net underperformance - 3% equals - 4% + 1%
5	14.39 EUR	13.09 EUR	10 %	7%	3%	0% Net performance 0% equals -3% + 3%
6	16.12 EUR	14.39EUR	12%	7%	5%	0.6% Equals 12% of 5%

If the Main Delegation Agreement between the Management Company and the Company is terminated before the end of a Crystallisation Period, the Performance Fee in respect of the then current Crystallisation Period will be calculated and paid to the Management Company as though the date of termination were the end of the relevant Crystallisation Period.

### Fund Specific Risks

Investors' attention is particularly drawn to the section entitled "*Risk Factors*" of the Prospectus as well as the risk factors below.

The risk profile of the Fund is adapted to an investment horizon of more than 5 years. Like any financial investment, potential investors should be aware that the value of the assets of the Fund is subject to fluctuations in the market and can vary widely.

#### Risk of Capital Loss

The Fund has no guarantee or protection, the capital initially invested may not be returned. The capital loss occurs when a share is sold for less than its purchase price.

#### Discretionary Management Risk

The discretionary management style is based on anticipation of the development of the different equity markets. There is a risk that the Fund will not be invested at any time on the best performing markets.

#### Equity Market Risk

The level of exposure to equity risk is between 75% and 100% of the net assets of

the Fund. A decline in the equity markets may result in a decline in the net asset value of the Fund.

Investors' attention is drawn to the fact that the Fund's investments are concentrated on Small and medium enterprises. The volume of these listed securities may be reduced, market movements are more pronounced therefore, both upward and downward, and faster than those of large firms. The net asset value of the Fund may therefore have the same behavior.

### **Liquidity Risk**

The small volume of small- and mid-cap markets may represent a liquidity risk. This type of investment may affect the valuation of the Fund and the price conditions to which the Fund may be obliged to liquidate its positions, particularly in the case of large redemptions, or even to make it impossible to sell its positions, which could result to a fall of the net asset value of the Fund and / or a suspension of the net asset value in the case of non- quotation of securities.

### **Interest Rate Risks**

The level of exposure to interest rate risk is between 0 and 25% of the net assets of the Fund. The Fund may invest in bonds and will therefore be subject to variations in interest rates. Where interest rates rise, the value of interest rate products held in the portfolio decreases. Increases in rates may therefore lead to a decrease in the net asset value of the Fund.

### **Credit Risk**

This is the risk that may result from the degradation of the signature or the default of an issuer which may result in a decrease in the value of its assets, and consequently in a decrease in the net asset value of the Fund.

### **Derivative Risks**

Derivatives, such as options, futures contracts, currency forwards or swap agreements, may involve greater risks than if the Fund invested in the reference obligation directly. These instruments are subject to general market risks, liquidity risks, interest rate risks, credit risks and management risks. Derivatives also involve an increased risk of mispricing or improper valuation and may result in a loss of value to the Fund. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and the Fund could lose more than the principal amount invested. The derivatives market may be subject to additional regulations in the future.

### **Currency Risk**

The currency risk is the risk of the decrease in investments against the euro, which is the reference currency of the Fund. The variation of currencies against the euro may have a negative impact on the value of these instruments and therefore result in a decrease of the net asset value of the Fund. The currency risk is proportional to the portion of the assets invested in foreign transferable securities outside the euro area (i.e. a maximum of 10% of assets).

### **ESG and sustainability Risk**

Sustainability risk is defined as an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative

impact on the value of a Fund's investment. Sustainability risks can either represent risks of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

The lack of common or harmonized definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by Investment Managers when setting ESG objectives. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may be based on metrics that may share the same name, but have different underlying meanings. In evaluating a security based on the ESG and sustainability criteria, the Management Company may also use data sources provided by external ESG research providers. Given the evolving nature of ESG, these data sources may, for the time being, be incomplete, inaccurate or unavailable. Applying responsible business conduct standards in the investment process of the Fund may lead to the exclusion of securities of certain issuers. Consequently, the Fund's performance may at times be better or worse than the performance of comparable funds that do not apply such standards.



**Table 1. Gay-Lussac Microcaps Europe – Available Share Classes**

	<b>Class P Shares</b>	<b>Class I Shares</b>	<b>Class I+ Shares</b>	<b>Class D Shares</b>
<b>Reference currency</b>	EUR	EUR	EUR	USD
<b>Currency Hedged</b>	No	No	No	Yes
<b>Accumulation or Distribution</b>	Accumulation	Accumulation	Accumulation	Accumulation
<b>Eligible Investors</b>	All subscribers and in particular individuals	All subscribers and in particular institutional	All subscribers and in particular institutional	All subscribers and in particular institutional
<b>Initial Offer Price</b>	EUR 150	EUR 150	EUR 1,000	USD 1,000
<b>Minimum Initial Subscription</b>	EUR 150	EUR 100,000	EUR 100,000	USD 100,000
<b>Minimum Additional Subscription</b>	1 share	1 share	1 share	1 share
<b>Minimum Holding</b>	N/A	N/A	N/A	N/A
<b>Maximum Preliminary Charge</b>	2%	2%	2%	2%
<b>Redemption Charge</b>	N/A	N/A	N/A	N/A
<b>Performance Fee</b>	12.00% of the annual performance of the Fund subject to a High water mark principle and a Hurdle Rate of 7%	12.00% of the annual performance of the Fund subject to a High water mark principle and a Hurdle Rate of 7%	12.00% of the annual performance of the Fund subject to a High water mark principle and a Hurdle Rate of 7%	12.00% of the annual performance of the Fund subject to a High water mark principle and a Hurdle Rate of 7%
<b>Cap on Fees and Expenses</b>	2.30%	1.30%	1.30%	1.30%
<b>Annual rate of Taxe d'abonnement</b>	0.05%	0.05%	0.05%	0.05%
<b>Listing</b>	No	No	No	No
<b>Maximum Management</b>	2 %	1 %	1 %*	1 %
<b>Investment Manager</b>	Gay-Lussac Gestion	Gay-Lussac Gestion	Gay-Lussac Gestion	Gay-Lussac Gestion

\* As part of its ESG effort, the Investment Manager commits to pay 10% of its Management Fee to a charity selected by its ESG committee. For more information, please read <https://www.gaylussacgestion.com> (sub-section "Responsible Investment").

### **SUSTAINABILITY AND TAXONOMY RELATED DISCLOSURE TO SUPPLEMENT 3**

Pursuant to SFDR, the Fund promotes ESG characteristics, within the meaning of Article 8 of the SFDR Regulation. As such, the Management Company integrates into its investment decision any ESG criteria pursuant to SFDR.

However, the Fund does not have a sustainable investment objective pursuant to SFDR.

While the Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investment” within the meaning of the SFDR or Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (“Taxonomy Regulation”). Accordingly, it should be noted that the Fund does not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and its portfolio alignment with such Taxonomy Regulation is not calculated. Therefore, the “do not significant harm” principle does not apply to any of the investments of this Fund.

The Management Company identifies and analyses sustainability risks (*i.e.* an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of an investment) as part of its risk management process. The Management Company seeks to achieve the Investment Objective of the Fund, through active investment management. As part of that active management, the Management Company may use fundamental research which includes integration sustainability and/or ESG considerations, as further outlined below. The Management Company may also utilize positive or negative/exclusionary screens for the Fund. These screens may focus on ESG or sustainability as well as specific sectors.

The pre-contractual disclosure to be provided with regard to this qualification pursuant to the Disclosure Regulation in conjunction with the Taxonomy Regulation can be found in the Annex II of Article 8 of the SFDR at the end of this prospectus.

## **ART 8 PRE-CONTRACTUAL DISCLOSURE - Eagle US Small Cap Strategy**

This document presents a Pre-Contractual Disclosure for Eagle US Small Cap Strategy, considered an Article 8 financial product under the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector.

This document follows the 'Template pre-contractual disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

Product name: Eagle US Small Cap Strategy

Legal entity identifier: 549300E1EJBHERWX8P35

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: 0%**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: \_\_\_%**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**What environmental and/or social characteristics are promoted by this financial product?**

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR without making any sustainable investments.

A description of the ESG characteristics promoted in the Fund can be found below. All characteristics are not applicable for each investment. Instead, the characteristics applicable for a certain investment are selected using the materiality-principle. The Investment Manager is constantly developing its approach and adding characteristics to the list.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

Area	Characteristics	Indicator
Environmental	Mitigation of Overall Environmental Impact	The company's approach to incorporating environmental factors in investment processes and strategies
	Reduction of Greenhouse Gas Emissions	Long term approach to manage Scope 1 emissions
		Measurement, monitoring and reporting on scope 2 and/or 3 emissions
	Improvement of Air quality	Measurement, management and mitigation of air emissions of industry specific pollutants
	Energy Management	Percentage of energy used in industry specific process that are derived from renewable sources. Targets regarding increasing energy derived from renewable sources
		Targets regarding reduction of energy consumption
	Water management	The company's approach to water management risks and practices to mitigate those risks
		the company's approach to sustainable water management and any strategies and practices to conserve water as a quality resource
Waste Management	Industry Specific Management of Waste Management	
	Reduction of Waste	
Sustainable Materials Sourcing	Procurement Process includes Sustainability Aspects	
	The company's approach to optimize materials efficiency	

<b>Area</b>	<b>Characteristics</b>	<b>Indicator</b>
	Mitigation of Product Lifecycle Environmental impacts	Industry Specific Management Systems of Product Lifecycle Environmental impacts
		Integration of Environmental Impacts in the User Phase
		The company's approach to manage the impact of the product at end-of-life, including reference to recovered, reused, recycled material or material that were landfilled
	Reduction of Impacts on Biodiversity	Industry Specific approach to Manage and Mitigate their Ecological Impacts
		Processes to integrate environmental considerations into the company's operations and strategies
		The company's environmental management policies and practices to preserve ecosystem services
Climate Change Adaptation	The company's approach to identify and mitigate Climate Change risk exposure	
	The company's integration of climate change related impacts into operational strategy	
<b>Social</b>	Mitigation of Overall Social Impacts	The company's approach to incorporating Social factors in investment processes and strategies
	Diversity and inclusion	Company policy that supports anti-discrimination
		Company policy that supports diversity and equal opportunity
		Percentage of gender representation for (1) management, (2) professionals, and (3) all other employees
	Labour Rights	The Company's processes to ensure compliance with international norms and standards relating to labour practices
		Workforce covered by Collective Bargaining Agreement
		The Company's approach to prevent Worker Harassment
	Human Rights	Company Code of Conduct applicable to suppliers
		Audits and follow-ups on supplier compliance with Code of Conduct
		Management and mitigation of Company Operations' Effect on Society
	Employee Health and Safety	Company Health and Safety Policy
	Customer Health and Safety	Industry Specific Safety Management System
Industry Specific processes to identify and manage safety risks associated with the use of the company's products		
		Industry Specific processes to assess and manage risks and/or hazards associated with chemicals in products

Area	Characteristics	Indicator
		Industry specific approach to managing addiction associated with the use of the company's product or services
	Data Privacy	The Company's approach to ensure customer privacy
	Data Security	The Company's approach to identifying and addressing data security risks The Company's approach to ensuring intellectual property (IP) protection
	Ethical Marketing and Selling Practices	The Company's approach to informing customers about products and services
	Animal Welfare	The Company's Approach to Ensuring Animal Welfare in their Operations and/or Supply Chain
<b>Governance</b>	Overall Good Governance	The company's approach to incorporating good governance factors in investment processes and strategies
	Anti-corruption	Company policy on anti-corruption Whistle-blower function
	Anti-competitive Behaviour	Company policy on anti-competitive behaviour
	Diverse Board Structure	Processes for determining the composition of the board
		Independence of Chair of the Board
		Independence of Members of the Board
	ESG Promoting Executive Pay	ESG metrics linked to executive pay
	Fair Tax	Policy on tax and tax planning Countries where the company operates/countries where the company pays tax
Transparency		Reporting

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR without making any sustainable investments.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR without making any sustainable investments.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The investment strategy of the Fund does not necessarily take into account the alignment of its positions with the recommendations of the OECD, or the principles recommended by the UN Global Compact on Human Rights.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

No, Principal adverse impacts of investment decisions on sustainability factors are not currently considered due to the lack of available and reliable data. The situation will however be reviewed going forward.





## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

ESG analysis is implemented throughout the investment process and is no different from bottom-up fundamental research.

Extra-financial data from the ESG data provider ISS is used. The implementation of ESG and the consideration of sustainability risks within the Fund is done through shareholder engagement with the management of the invested companies. The investment team uses the SASB materiality map as a general framework to organize the ESG analysis and understand how potential issues or opportunities may affect the company.

As part of the investment process, an internal ESG ranking of the Focus List companies is established, from most durable to least durable, and continuously reassessed. Taking this ranking into account, the team looks for companies that invest the most in all of their material components, such as their employees, customer innovation, communities and organic value creation.

Such franchises are more resilient and often take advantage of adverse events to generate even more value for constituents and/or be agile enough to change their business model. Conversely, investments in companies with potential ESG issues, such as poor governance or an unengaged workforce, are rated lower because the risk of adverse events is much greater.

There is no exclusion list or reduction of the investment universe, but investment is only allowed in companies with a convincing ESG investment case.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

A. Engagement Policy

The ESG methodology used focuses on shareholder engagement. Engagement, as well as the assessment of ESG issues, is an integral part of the overall fundamental research process. All companies on the Focus List are monitored as part of the portfolio. The investment team tracks company engagement using its own engagement database. The assessment of all fundamental factors, together with the results of engagements with management, determine which companies to buy into the portfolio. In addition, through parent company Raymond James Investment Management, the investment team participates in a variety of initiatives that support sustainable investing, including the Stewardship Committee, which establishes proxy voting guidelines and company engagement protocols, and the ESG Data Working Group, which develops a framework to support more robust ESG research and analysis.

B. ESG criteria integration

Below are the main steps for including ESG in the investment process and how ESG issues are assessed:

- 1) Candidate companies for investment are assessed based on a number of fundamental factors, including ESG data from the Bloomberg database and the ESG-based ISS database.
- 2) If the candidate company passes this initial assessment, a member of the team conducts a full fundamental assessment of the company. This assessment is documented in the proprietary Inception Report and is then reviewed by the entire investment team. All initiation reports include an investment thesis and an ESG thesis, which highlights ESG

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

risks and opportunities. The team uses the SASB materiality map as a general framework for thinking about how potential problems or opportunities may affect the company.

- 3) If the investment team determines that the company is a viable candidate for investment, it is placed on the Focus List. This list of fully screened companies forms the investment universe and includes both portfolio companies and potential investment candidates.

#### C. Monitoring of ESG characteristics

The foundation of the ESG strategy is based on long-term engagement with companies and monitoring of issuers, using what we would call a Best Effort strategy. The investment team does not expect every company to be free of all ESG issues and considers it the responsibility of the asset managers to work with the management of the invested companies to seek to improve its weaknesses and any company-related issues. The investment team does, however, initiate divestment actions against companies if management refuses to engage on issues considered critical to building a sustainable business.

Examples of "red flags" that may lead to divestment include:

- A major change in management,
- A major acquisition in another vertical or one that is seen as aiming to go 'wide',
- A major divestment in an area that was part of the investment thesis,
- A minor financial audit or manufacturing plant audit,
- A major change in capital allocation strategy,
- A change in R&D policy,
- A change of auditors,
- A change in revenue recognition,
- A lie by management in a quarterly commitment,
- A controversy that is difficult for the investment team to understand,
- A material increase in employee turnover or dissatisfaction,
- A material change in compensation practices at a cost to employees
- Employee related lawsuits,
- Significant environmental events and/or increase in potential risk,
- Identification of weaknesses in internal controls and/or related party transactions.

As part of the shareholder engagement process, tracking of ESG analyses is organized through the proprietary engagement database. The investment team tracks who is met, what type of meeting is held and what topics are discussed. Engagement reports are produced, and meeting notes are kept, allowing the team to track progress against specific objectives discussed with company management.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no exclusion list or reduction of the investment universe, but investment is only allowed in companies with a convincing ESG investment case.

● ***What is the policy to assess good governance practices of the investee companies?***

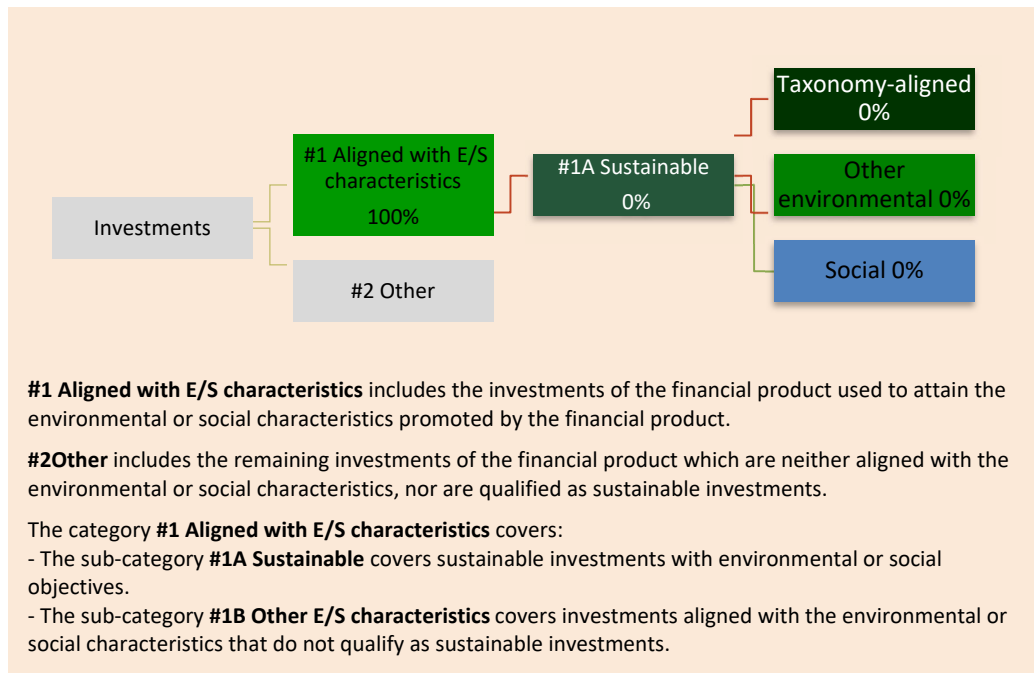
ISS ESG (ISS ESG | ISS (issgovernance.com) is used to access information on governance quality, including information regarding board structure and independence, compensation,

shareholder rights, audit and risk oversight. In addition, ISS Governance is used for research and proxy voting advice.

As corporate engagement is an important part of the investment process, the governance assessment includes management responsiveness to engagement efforts. The investment team tracks all company engagements through a proprietary engagement database.



## What is the asset allocation planned for this financial product?



**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The asset allocation for the strategy will be entirely U.S. small capitalization stocks. The Investment Manager's strategy to promote ESG characteristics covers all assets under management with the conviction that by integrating sustainability into the process, the investment team can better understand how management teams are investing in their intangibles assets – their employees, their brand, their culture, and their communities. The investment team believes those management teams that invest heavily in these areas are positioned to deliver long-term alpha for investors.

- The investment process for this product ensures that 100% of the portfolio companies and 100% of the investable universe (Focus List) are covered by ESG analysis and are regularly monitored for ESG issues.
- This product has a strict shareholder engagement policy, and the management team regularly engages with Focus List companies on ESG issues, which may lead to divestment actions.
- The coverage rate of ESG analysis within the Fund is 100%.
- The Fund currently does not use derivatives. Thus, there is no use of derivatives that contribute to the achievement of environmental or social characteristics.
- The Fund does not invest in underlying assets.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund currently does not use derivatives. Thus, there is no use of derivatives that contribute to the achievement of environmental or social characteristics.

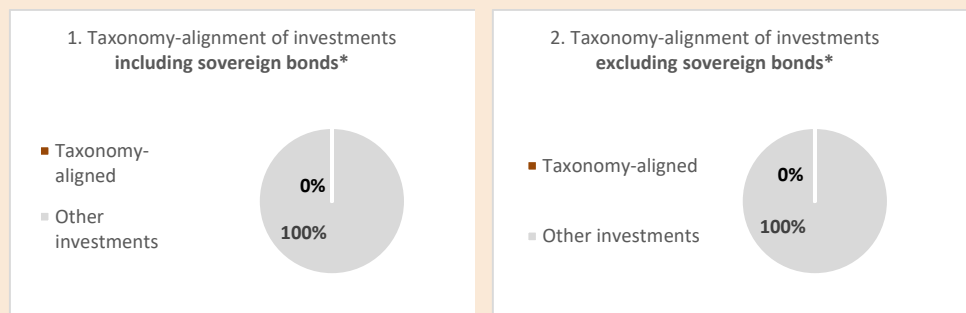


**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR without making any sustainable investments.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

**What is the**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures  
**minimum share of investments in transitional and enabling activities?**

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.  
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The Fund will not invest a minimum share of its investments in transitional or enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Fund will not invest a minimum share of its investments in environmental activities.



### **What is the minimum share of socially sustainable investments?**

The Fund will not invest a minimum share of its investments in social objectives.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund does not invest in underlying assets.



### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No reference benchmark has been determined for the realisation of the promoted environmental or social characteristics.



### **Where can I find more product specific information online?**

Additional ESG related information on the Funds may be found on the website of the Investment Manager. Details can also be found on this website in relation to the Investment Manager's sustainability related disclosures and, if relevant, its adverse sustainability impact statement: [www.eagleasset.com](http://www.eagleasset.com)

## **ART 8 PRE-CONTRACTUAL DISCLOSURE - Gay Lussac Microcaps Europe**

This document presents a Pre-Contractual Disclosure for Gay Lussac Microcaps Europe, considered an Article 8 financial product under the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector.

This document follows the 'Template pre-contractual disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

ANNEX II

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

Product name: **Gay Lussac Microcaps Europe**

Legal entity identifier: **549300NUN1GMHFM1RB19**

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

**Yes**

  **No**

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 0%</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b></p>	<p>It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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**What environmental and/or social characteristics are promoted by this financial product?**

While the Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investment” within the meaning of the

SFDR or Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (“Taxonomy Regulation”)

A description of the ESG characteristics promoted in the Fund can be found below. All characteristics are not applicable for each investment. Instead, the characteristics applicable for a certain investment are selected using the materiality-principle. The Investment Manager is constantly developing its approach and adding characteristics to the list.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

This product invests in companies that stand out for their good governance and promote environmental and social characteristics. The product applies a sector and normative exclusion filter and monitors ESG controversies on a monthly basis. The coverage rate of ESG ratings and SRI methodology within the Fund aims to be always above 90%.

The proportion of investments promoting ESG characteristics is at least 80% and this indicator is available in the semi-annual extra-financial reports.

The presence of other investments that do not promote ESG characteristics is explained by the often incomplete and fragmented extra-financial data of certain issuers, in particular small and very small capitalisations, which do not yet allow a refined and absolute ESG rating to be obtained.

Area	Characteristics	Indicator
Environmental	Mitigation of Overall Environmental Impact	The company’s approach to incorporating environmental factors in investment processes and strategies
	Reduction of Greenhouse Gas Emissions	Short term approach to manage Scope 1 emissions
		Long term approach to manage Scope 1 emissions
		Measurement, monitoring and reporting on scope 2 and/or 3 emissions
	Improvement of Air quality	Measurement, management and mitigation of air emissions of industry specific pollutants
	Energy Management	Percentage of energy used in industry specific process that are derived from renewable sources. Targets regarding increasing energy derived from renewable sources
		Targets regarding reduction of energy consumption
	Water management	The company’s approach to water management risks and practices to mitigate those risks
		the company’s approach to sustainable water management and any strategies and practices to conserve water as a quality resource
	Waste Management	Industry Specific Management of Waste Management
Reduction of Waste		
Sustainable Materials Sourcing	Percentage of industry specific material that is Certified as Sustainable	



Area	Characteristics	Indicator
		Procurement Process includes Sustainability Aspects
		The company's approach to optimize materials efficiency
	Mitigation of Product Lifecycle Environmental impacts	Industry Specific Management Systems of Product Lifecycle Environmental impacts
		Integration of Environmental Impacts in the User Phase
		The company's approach to manage the impact of the product at end-of-life, including reference to recovered, reused, recycled material or material that were landfilled
	Reduction of Impacts on Biodiversity	Industry Specific approach to Manage and Mitigate their Ecological Impacts
		Processes to integrate environmental considerations into the company's operations and strategies
		The company's environmental management policies and practices to preserve ecosystem services
	Climate Change Adaptation	The company's approach to identify and mitigate Climate Change risk exposure
		The company's integration of climate change related impacts into operational strategy
Social	Mitigation of Overall Social Impacts	The company's approach to incorporating Social factors in investment processes and strategies
	Diversity and inclusion	Company policy that supports anti-discrimination
		Company policy that supports diversity and equal opportunity
		Percentage of gender representation for (1) management, (2) professionals, and (3) all other employees
	Labour Rights	The Company's processes to ensure compliance with international norms and standards relating to labour practices
		Workforce covered by Collective Bargaining Agreement
		The Company's approach to prevent Worker Harassment
	Human Rights	Company Code of Conduct applicable to suppliers
		Audits and follow-ups on supplier compliance with Code of Conduct
		Management and mitigation of Company Operations' Effect on Society
	Employee Health and Safety	Company Health and Safety Policy
		Industry Specific Safety Management System
	Customer Health and Safety	Industry Specific processes to identify and manage safety risks associated with the use of the company's products
		Industry Specific processes to assess and manage risks and/or hazards associated with chemicals in products
		Industry specific approach to managing addiction associated with the use of the company's product or services

Area	Characteristics	Indicator
	Data Privacy	The Company's approach to ensure customer privacy
	Data Security	The Company's approach to identifying and addressing data security risks
		The Company's approach to ensuring intellectual property (IP) protection
	Ethical Marketing and Selling Practices	The Company's approach to informing customers about products and services
Animal Welfare	The Company's Approach to Ensuring Animal Welfare in their Operations and/or Supply Chain	
Governance	Overall Good Governance	The company's approach to incorporating good governance factors in investment processes and strategies
	Anti-corruption	Company policy on anti-corruption
		Whistle-blower function
	Anti-competitive Behaviour	Company policy on anti-competitive behaviour
	Diverse Board Structure	Processes for determining the composition of the board
		Independence of Chair of the Board
		Independence of Members of the Board
	ESG Promoting Executive Pay	ESG metrics linked to executive pay
Fair Tax	Policy on tax and tax planning	
	Countries where the company operates/countries where the company pays tax	
Transparency	Reporting	

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The financial product promotes environmental characteristics within the meaning of Article 8 of the SFDR without making any sustainable investments.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The financial product promotes environmental characteristics within the meaning of Article 8 of the SFDR without making any sustainable investments.

--- **How have the indicators for adverse impacts on sustainability factors been taken into account?**

Negative sustainability impacts refer to the negative impacts of investment decisions on sustainability factors such as the environment, social issues, respect for human rights and anti-corruption. Key negative impacts ("KPIs") are taken into account in Gay-Lussac Gestion's investment decisions in relation to the sustainability factors.

This implementation is based on different extra-financial strategies defined below:

- Sectoral exclusion policies,

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- Shareholder engagement and voting policy,
- Controversy monitoring of investee companies,
- Monitoring and research of mandatory key negative impact indicators as defined in Annex 1 of the draft regulatory technical standards ("RTS") accompanying the SFDR regulation,
- Compliance with international codes,
- Signatory to the UN-PRI (Principle for Responsible Investing).

In accordance with Article 7 of Regulation (EU) 2019/2088, the Fund aims to contribute to transparency on the main negative impacts of investments through the mandatory PAI indicators in the half-yearly extra-financial reporting.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The sub-fund does not apply a sustainable investment strategy to its investments. However, the investments made within the fund aim to be aligned with the OECD labour principles and the UN Global Compact guidelines. This is characterized through the exclusion policy and the monitoring of controversies detailed above.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No

Negative sustainability impacts refer to the negative impacts of investment decisions on sustainability factors such as the environment, social issues, respect for human rights and anti-corruption. Key negative impacts ("KPIs") are taken into account in Gay-Lussac Gestion's investment decisions in relation to the sustainability factors.

This implementation is based on different extra-financial strategies defined below:

- Sectoral exclusion policies,
- Shareholder engagement and voting policy,
- Controversy monitoring of investee companies,

- Monitoring and research of mandatory key negative impact indicators as defined in Annex 1 of the draft regulatory technical standards ("RTS") accompanying the SFDR regulation,
- Compliance with international codes,
- Signatory to the UN-PRI (Principle for Responsible Investing).

In accordance with Article 7 of Regulation (EU) 2019/2088, the Fund aims to contribute to transparency on the main negative impacts of investments through the mandatory PAI indicators in the half-yearly extra-financial reporting.

More details can be found on the [website of Gay-Lussac Gestion](#).



## What investment strategy does this financial product follow?

The investment strategy followed includes:

- 1) Quantitative filter of the investment universe:
  - Two defensive criteria, Low Volatility and Low Beta,
  - A performance criterion, Momentum,
  - A sectoral and normative exclusion filter
- 2) Selection of 3 to 4 major structural and/or cyclical themes by a quarterly Macroeconomic Committee comprising economists, strategists, fund managers and financial analysts.
- 3) Definition of the investable universe by selecting stocks in line with the themes selected and validated by the fundamental and extra-financial analysis of the companies.
- 4) Construction and monitoring of the portfolio in terms of risk budget and monitoring of ESG ratings and controversies.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### ● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Promoting ESG characteristics within the investment strategy

The sectoral and normative exclusion filter

The sectoral exclusion consists of excluding companies that derive a part of their turnover, considered as significant and quantified below, from activities deemed harmful to society. The Gay-Lussac Microcaps Europe sub-fund has implemented a strict policy of excluding the following sectors:

- Strict exclusion**
- Production and marketing of chemical weapons, biological weapons and depleted uranium weapons,
  - Manufacture, stockpiling and services for anti-personnel mines and cluster bombs, in compliance with the Ottawa and Oslo Conventions,
  - Companies that violate the 10 principles of the UN Global Compact,

- Companies that violate international standards.

<b>Exclusion up to and including 5% of turnover</b>	- Production of recreational cannabis,
	- Production, exploitation, transport and storage of thermal coal,
	- Pornography-related activities; - Gambling-related activities,
	- Production and exploitation of non-conventional fossil fuels.
<b>Exclusion up to and including 10% of turnover</b>	Production of tobacco.
<b>Exclusion of up to 30% (inclusive) of turnover</b>	Production and exploitation of conventional fossil fuels. (Upstream and Midstream)

#### Consideration of ESG characteristics

The extra-financial analysis is based on a "Best In Universe" approach to ESG criteria. The ESG Best In Universe approach involves the consideration of extra-financial criteria (Environmental, Social and Governance) according to the ESG Rating methodology of MSCI ESG Research, the leading provider of extra-financial data of Gay-Lussac Gestion. When a company's ESG rating is not covered by MSCI, the ESG team rate it according to the Gay-Lussac Gestion's internal ESG+ methodology, based on the consideration of extra-financial criteria advised by the AFG (Association Française de Gestion Financière), and inspired by MSCI's rating methodology, which is based on the weighting of criteria in a sectorial materiality (according to each sub-sector GICS - Global Industry Classification Standard). The societal criterion is taken into account by applying a bonus or malus of 1 point to the ESG rating of the issuing company, after an overall analysis of the impact of these criteria on the sustainability risks of the fund. The extra-financial ratings of the issuers are then weighted according to the allocation of each position in the portfolio, in order to calculate an overall rating for the fund.

An alert threshold is set for securities with a rating below 5.5 out of 10, i.e., a BB or B grade, and this alert may lead to the sale of the security, after in-depth analysis.



These extra-financial ratings are available in the monthly financial reports as well as in the half-yearly extra-financial reports.

#### Monitoring controversies

An ESG controversy can be defined as an incident or existing situation that a company faces as a result of allegations of negative behaviour towards various parties, through

poor practice on a number of ESG indicators.

We have set up an alert threshold for companies that have had a "very severe" and recent controversy, according to the MSCI ESG controversy tracking methodology.

Gay-Lussac Gestion follows in particular companies identified as being involved in

- Human rights abuses
- Corruption
- Degradation of environmental performance
- Forced/ clandestine/ child labour

Gay-Lussac Gestion carries out monthly internal monitoring of compliance with the ESG rules set out in the sub-fund.

Non-compliance with the ESG rules set by the management company and included in the prospectus gives rise to an escalation procedure consisting of (I) identification of breaches, (II) in-depth analysis of the security, (III) reconsideration of the promotion of ESG characteristics within the portfolios and contractual documents in the event of non-compliance with the recommendations made.

I. The escalation procedure is triggered by different categories of Asset/Liability breaches

1) In case of so-called "active" breaches resulting from an:

- an investment in a security with an ESG rating of less than 5.5/10 according to the Gay-Lussac Gestion scoring methodology
- an investment in a security that does not comply with the exclusion policy
- an investment in securities whose issuers have had "very severe", recent and structural controversies, according to the MSCI methodology;
- holding a security under ESG alert;
- exceeding the contractually agreed extra-financial ratios.

2) In the event of so-called "passive" breaches resulting from :

- the ESG rating of a security deteriorates (falls below 5.5/10);
- the increase in turnover of an issuer in one of the sectors excluded by the exclusion policy;
- subscription/redemptions.

II. In-depth analysis stage

- **Research phase:** In-depth ESG analysis of the stock in the portfolio under ESG alert if necessary;
- **Dialogue phase:** Contact with the management/RI of the issuing company to obtain further information on the ESG weaknesses identified by the analysis;
- **Recommendation phase:** transmission of the recommendation to the managers to maintain or sell the stock based on the conclusions drawn from the two stages above.

The ESG team gives itself a quarterly deadline to implement the internal escalation procedure on the securities concerned. Once the ESG team has issued a recommendation, the managers have a further quarterly deadline to implement the recommendation.

In the event of a recommendation to sell the stock, it can only be retained if :

- the stock is facing liquidity problems, in which case an additional three months may be allowed for the sale;
- the stock is a micro-cap (market capitalisation of less than '2 billion) that has historically been in the portfolio (for 2 years or more), in which case a long-term commitment is possible, in line with an ESG Best Effort approach.

The dialogue stage is all the more significant for small-cap stocks of French origin, due to the greater accessibility of the management and the people in charge of investor relations. The dialogue stage can be accompanied by a collective shareholder commitment, in relation to the guidelines set out in Gay-Lussac Gestion's shareholder commitment policy.

The Best Effort approach for micro-capitalizations historically in the portfolio is monitored in a file managed by the ESG team. All stages of shareholder engagement and dialogue with companies are centralised there.

The analyses are updated as soon as issuers publish new documentation (annual reports, sustainability reports, etc.). The objective is to have a coherent and most recent analysis possible.

Furthermore, a stock that was previously excluded for ESG warnings can only be reinvested if it now meets the ESG thresholds. Otherwise, it will be considered as an active breach with an automatic disposal recommendation.

In the case of controversy monitoring, if the alert threshold is exceeded, the following elements can be studied

- Structural or one-off nature of the controversy;
- Measures taken by the company to remedy the controversy;
- Further monitoring of the company and its public statements regarding the controversy.

Actions taken in relation to ESG controversies can go as far as the disposal of all or part of the line concerned, depending on market conditions.

A right to be forgotten is in place for controversies if they were resolved more than 5 years ago. For very serious controversies that have cost issuers a financial penalty of more than USD 5 billion, with the SEC involved, the right to be forgotten is extended to 10 years.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The committed minimum rate to reduce the scope of the investments considered, prior to the application of that investment strategy is of maximum 20%.

● ***What is the policy to assess good governance practices of the investee companies?***

Within the framework of the internally developed ESG analysis methodology, the analyst teams endeavour to assess the good governance of the companies in the portfolio on the following points:

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- 1) Chief Executing Officer (profile, tenure, reliability, vision, organization).
- 2) Executive Committee (size, composition, stake in the capital, independence, number of women)
- 3) Management structure (separations of functions, family structure)
- 4) Consistency of remuneration (fixed, variable, incentives, achievement on objectives, remuneration policy linked to ESG criteria)
- 5) Committees' independence (audit, compensation and nomination committee's)
- 6) Financial communication (level of transparency, management accessibility)
- 7) Incident, controversies and corruption exposure

#### Focus on shareholder engagement

Gay-Lussac Gestion is committed to shareholder engagement through several practices:

- Monitoring strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance;
- Dialogue with investee companies (travel, videoconferencing, roadshows and site visits); - Exercising voting rights and other rights attached to shares;
- Cooperation with other shareholders;
- Communication with relevant stakeholders;
- Prevention and management of actual or potential conflicts of interest in relation to their engagement.

Gay-Lussac Gestion's [shareholder engagement policy](#) is available on the [Responsible Investment page](#) of the [website of Gay-Lussac Gestion](#).



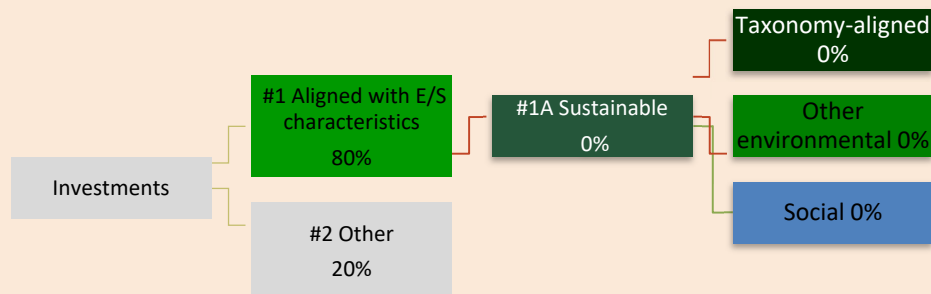


## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Management Company's strategy to promote ESG characteristics covers all assets under management with the conviction that by integrating sustainability into its investment's thesis, it will benefit the long-term investors and contribute to the development of sustainability in society at large.

- This product invests in companies that stand out for their good governance and promote environmental and social characteristics.
- This product applies a sector and normative exclusion filter and monitors ESG controversies on a monthly basis.
- This product does not have a sustainable investment objective.
- The coverage rate of ESG ratings and SRI methodology within the sub-fund aims to be always above 90%.
- The proportion of investments promoting ESG characteristics is at least 80% and this indicator is available in the semi-annual extra-financial reports.
- The presence of other investments that do not promote ESG characteristics is explained by the often incomplete and fragmented extra-financial data of certain issuers, in particular small and very small capitalisations, which do not yet allow a refined and absolute ESG rating to be obtained.
- In addition, the sub-fund may not use derivative financial instruments.

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund does not make use of derivatives to attain the environmental or social characteristics promoted by the financial product.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

### Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

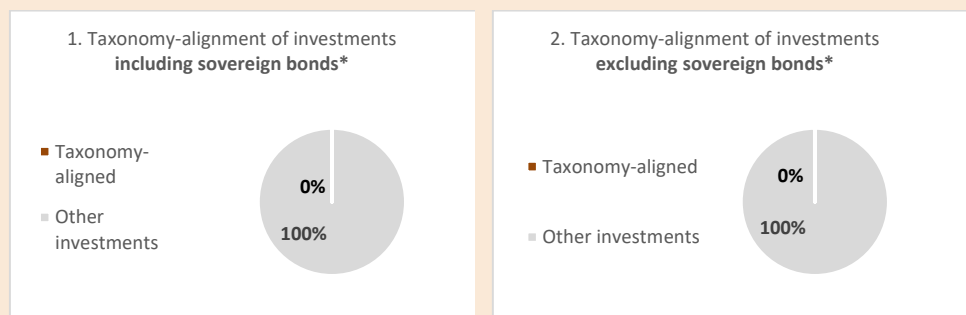
### Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR without making any sustainable investments.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

**What is the**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures  
**minimum share of investments in transitional and enabling activities?**

The Fund will not invest a minimum share of its investments in transitional or enabling activities.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund will not invest a minimum share of its investments in environmental activities.



## What is the minimum share of socially sustainable investments?

The Fund will not invest a minimum share of its investments in social objectives.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

No investment is not expected to contribute to the promotion of environmental or social characteristics with the exception of those which do not have sufficient information to make an assessment and are part of the 20% pool of assets mentioned above.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No reference benchmark has been determined for the realisation of the promoted environmental or social characteristics.



**Where can I find more product specific information online?**

Additional ESG related information on the Fund may be found at <https://www.gaylussacgestion.com> (sub-section “[Responsible Investment](#)”) and directly on the sub-fund page at <https://www.gaylussacgestion.com/fond/gay-lussac-microcaps-europe/>. Details can also be found on this website in relation to the Management Company's sustainability related disclosures and, if relevant, its adverse sustainability impact statement.