

**LUMYNA - MARSHALL WACE UCITS SICAV**

*a société d'investissement à capital variable* subject to Luxembourg law

**January 2022**

## IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

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

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, conversions or redemption of shares of Lumyna - Marshall Wace UCITS SICAV (the "**Company**") other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Management Company (as defined hereafter). Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the shares of the Company (the "**Shares**") shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The Company's board of directors (the "**Board**") has taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge and belief, in accordance with the facts and does not omit anything material to such information. The Board accepts responsibility accordingly.

Shares are offered only on the basis of the information contained in the current Prospectus, the relevant Supplement and the latest key investor information document ("**KIID**") and the latest annual report and accounts or interim report and accounts if published after the latest annual report and accounts. These documents are available free of charge from the registered office of the Company and from the Administrator or other agents (if appointed) as well as on the website [www.lumyna.com](http://www.lumyna.com). Prospective investors shall be provided with the latest version of the KIID in good time before their proposed subscription or conversion of Shares in the Company.

**The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Sub-Fund of the Company.**

### 1. Selling Restrictions

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer of or invitation or solicitation to subscribe for or acquire any Shares in any jurisdiction in which such offer or solicitation is not permitted, authorised or lawful. Persons receiving a copy of this Prospectus in any jurisdiction may not treat this Prospectus as constituting an offer, invitation or solicitation to them to subscribe for Shares notwithstanding that, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to them without compliance with any registration or other legal requirement. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements so applying, and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any person who is holding Shares in contravention of the restrictions set out herein or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, cause the Company, the Management Company, the

Principal Investment Manager, the Investment Manager, the Principal Distributor, the Depository, the Administrator, any Sub-Fund or any Shareholder to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or would result in the Company being required to register under any applicable US securities laws or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Management Company, the Principal Investment Manager, the Investment Manager, the Principal Distributor, the Depository, the Administrator, any Sub-Fund or any Shareholders for any loss suffered by it/them or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have the power under the Articles to compulsorily redeem any Shares held or beneficially owned in contravention of the restrictions imposed by them as described herein.

## **2. United States of America**

There will be no public offering of Shares in the United States from the date of this Prospectus. The Shares will not be made available to US Persons and no US Person may hold or otherwise own any Shares.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of any of the states of the United States, nor is such registration contemplated. The Shares may not be offered, sold, pledged or otherwise transferred directly or indirectly in the United States or to or for the account or benefit of any US Person.

The Shares offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Articles.

The Company has not been and will not be registered under the 1940 Act pursuant to the provisions of Section 3(c)(7) of the 1940 Act.

While the Company or the Sub-Funds may trade commodity interests, the Principal Investment Manager qualifies for the exemption under US Commodity Futures Trading Commission ("CFTC") Rule 3.10(c)(3) with respect to each Sub-Fund and accordingly is not required to register with the CFTC as a CPO, furnish periodic pool reports to Shareholders under CFTC rules or provide a CFTC disclosure document to prospective Shareholders.

Similarly, the Investment Manager is exempt from the obligations as a registered CPO with respect to each Sub-Fund pursuant to CFTC Rule 4.13(a)(3) on the basis that, among other things (i) each Shareholder is a "qualified eligible person", as defined under Section 4.7(a)(2) of the United States Commodity Exchange Act, as amended, an "accredited investor" as defined under US Securities and Exchange Commission ("SEC") rules or such other eligible person as set forth in CFTC Rule 4.13(a)(3); (ii) the Shares are exempt from registration under the 1933 Act and are offered and sold without marketing to the public in the United States; (iii) Shares are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets and (iv) at all times a Sub-Fund establishes a commodity interest or securities futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed five per cent of the liquidation value of such Sub-Fund's portfolio; or (b) the aggregate net notional value of such Sub-Fund's commodity interest and security futures positions will not exceed one hundred per cent of the liquidation value of such Sub-Fund's portfolio.

The Company will not accept any subscriptions from, and Shares may not be transferred to, any investor that is a Benefit Plan Investor (as defined herein).

The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

### **3. Bahrain**

Important Notice for Lumyna-MW TOPS (Market Neutral) UCITS Fund– If you are in any doubt about the contents of this Prospectus and the supplement relating to Lumyna-MW TOPS (Market Neutral) UCITS Fund, you should seek independent professional financial advice. Persons receiving a copy of this Prospectus should remember that all investments carry varying levels of risk and that the value of your investment may go down as well as up. Investments in Shares are not considered deposits and are therefore not covered by the Kingdom of Bahrain's deposit protection scheme. The fact that this Lumyna-MW TOPS (Market Neutral) UCITS Fund has been authorised by the Central Bank of Bahrain, does not mean that the Central Bank of Bahrain takes responsibility for the performance of Lumyna-MW TOPS (Market Neutral) UCITS Fund, nor for the correctness of any statements or representations made by Lumyna Investments Limited as Principal Distributor of the Sub-Fund.

### **4. Reliance on this Prospectus**

Statements made in this Prospectus and any Supplement are based on the law and practice in force in Luxembourg at the date of this Prospectus or Supplement as the case may be, which may be subject to change. This Prospectus will be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to and approved by the CSSF. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

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

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company and the Sub-Funds, and may not be reproduced or used for any other purpose. Notwithstanding anything to the contrary herein, each Shareholder (and each employee, representative, or other agent of such Shareholder) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Company or the Sub-Funds and (ii) any of their transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the Shareholder relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or the identifying information of (i) the Company or the Sub-Funds, or (ii) the parties to a transaction.

### **5. Certain Risk Factors**

Investors should read and consider Appendix 3 entitled "Certain Risk Factors" before investing in the Company.

### **6. Shareholder rights**

The Company draws prospective Shareholders' 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 meetings of Shareholders), if the investor is registered himself and in his own name in the Company's register of shareholders. In cases where an investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor, it may not be possible for

the investor to exercise certain Shareholder rights directly against the Company. Investors are advised to take independent legal advice on their rights.

## 7. Data Protection

For the purpose of this section, “Data Protection Legislation” means the Luxembourg data protection Law of 1 August 2018 on the organisation of the National Data Protection Commission and the general data protection framework and the Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the “GDPR”) as such regulation may be implemented or complemented, amended, replaced or repealed from time to time, as well as any other applicable law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding instrument which implements the GDPR. The terms “personal data”, and “process” shall have their meanings given to them as set out in Data Protection Legislation.

Prospective investors should note that, by virtue of making an investment in the Company and the associated interactions with the Management Company, the Principal Investment Manager, the Investment Manager and their affiliates and delegates (including completing the Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Company, the Management Company, the Principal Investment Manager or the Investment Manager and their affiliates and delegates with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) the Company, the Management Company, the Principal Investment Manager or the Investment Manager and their affiliates and delegates will be provided with certain personal information in relation to such individuals which constitutes personal data within the meaning of GDPR.

The Management Company and the Company act as joint controllers (the “Joint Data Controllers”) in respect of this personal data and their affiliates and delegates, such as the Principal Investment Manager, the Investment Manager and the Administrator (and their delegates, where applicable), may act as data processors or sub-data processors.

In relation to any personal data received by the Principal Investment Manager or the Investment Manager from the Management Company and/or the Company, or otherwise obtained or generated by the Principal Investment Manager or the Investment Manager in the course of the performance of their services, the Management Company and the Company shall be joint data controllers, the Principal Investment Manager shall be a data processor and the Investment Manager shall be a sub-data processor. The Management Company acting on behalf of the Joint Controllers and the Principal Investment Manager as data processor have entered into a separate data processing agreement to give effect to such arrangements in accordance with the requirements of the GDPR. The Principal Investment Manager has appointed the Investment Manager as a sub-data processor pursuant to the Investment Management Agreement.

The privacy notice (“**Privacy Notice**”) contains information in relation to data protection, including the following matters:

- that investors will provide the Company, the Management Company, the Principal Investment Manager or the Investment Manager and their affiliates and delegates with certain personal information which constitutes personal data within the meaning of the GDPR;
- a description of the purposes and legal bases for which the personal data may be used;

- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- measures in relation to the GDPR taken by the Management Company and the Company;
- an outline of the various data protection rights of individuals as data subjects under the GDPR;
- information on the Company's policy for retention of personal data; and
- contact details for further information in relation to data protection matters.

All prospective investors are informed and acknowledge that the personal data will be processed by the Joint Data Controllers in accordance with the Privacy Notice which is available at [www.lumyna.com/literature/document-centre](http://www.lumyna.com/literature/document-centre). All prospective investors shall receive a copy of the Privacy Notice with the Application Form.

The Administrator may, in certain limited circumstances, also act as a data controller of investors' personal information in order to comply with its legal and/or contractual obligations under the Administration Agreement and in furtherance of its legitimate business interests. For further information, you can access the Administrator's privacy notice at: <https://citco.com/footer/privacy-policy/>.

## **8. Luxembourg Register of Beneficial Owners**

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "**RBO Law**") entered into force on 1 March 2019. The RBO Law requires all companies registered on the Registre de Commerce et des Sociétés of Luxembourg, including the Company, to obtain and hold information on their beneficial owners ("**Beneficial Owners**") at their registered office. The Company must register Beneficial Owner-related information with the Luxembourg Register of Beneficial Owners, which is established under the authority of the Luxembourg Ministry of Justice.

The RBO Law broadly defines a Beneficial Owner, in the case of corporate entities such as the Company, as any natural person(s) who ultimately owns or controls the Company through direct or indirect ownership of a sufficient percentage of the Shares or voting rights or ownership interest in the Company, including through bearer Shareholders, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with EU law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25% plus one Share or an ownership interest of more than 25% in the Company held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one Share or an ownership interest of more than 25% in the Company held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case the aforementioned Beneficial Owner criteria are fulfilled by an investor with regard to the Company, this investor is obliged by law to inform the Company and to provide the required supporting documentation and information which is necessary for the Company to fulfil its obligation under the RBO Law. Failure by the Company and the relevant Beneficial Owners to comply with their respective obligations deriving from the RBO Law will be subject to criminal fines. Should an investor be unable to verify whether they qualify as a Beneficial Owner, the investor may approach the Administrator or the Management Company for clarification.

## **9. Translations**

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

## **DIRECTORY**

### **Lumyna - Marshall Wace UCITS SICAV**

#### **Registered Office**

20, Rue de la Poste, L-2346 Luxembourg, Grand Duchy of Luxembourg

#### **Board of Directors**

Jacques Elvinger (Independent Director), Elvinger Hoss Prussen, société anonyme, 2 place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

Philippe Lopategui, Lumyna Investments Limited, 11 Bressenden Place, London, SW1E 5BY United Kingdom

Thomas Seale (Independent Director), Seale Advisory Sàrl, 39 rue de la Paix, L-7244 Bereldange, Luxembourg

#### **Management Company**

Generali Investments Luxembourg S.A., 4, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg

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

Santo Borsellino (Chairman)

Mattia Scabeni (Chief Executive Officer)

Sophie Mosnier (Independent Director), 45, rue de la Forêt, L-1534 Luxembourg, Grand Duchy of Luxembourg

Geoffroy Linard de Guertechin (Independent Director), 2, rue Jean-Pierre Beicht, L-1226 Luxembourg, Grand Duchy of Luxembourg

#### **Principal Investment Manager and Principal Distributor**

Lumyna Investments Limited, 11 Bressenden Place, London, SW1E 5BY, United Kingdom

#### **Investment Manager**

Marshall Wace LLP, George House, 131 Sloane Street, London, SW1X 9A, United Kingdom

#### **Depository**

J.P. Morgan SE, Luxembourg Branch  
European Bank and Business Centre, 6 C, Route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg



**Administrator and Domiciliary Agent**

Citco Fund Services (Luxembourg) S.A., 20, rue de la Poste, L-2346 Luxembourg, Grand Duchy of Luxembourg

**Approved Statutory Auditor**

Ernst & Young, 35E, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

**Legal Advisor**

Elvinger Hoss Prussen, *société anonyme*  
2, place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

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## DEFINITIONS

<b>"Accumulation Shares"</b>	Shares in respect of which income is accumulated and added to the capital property of a Sub-Fund.
<b>"Actively Managed"</b>	An actively managed Sub-Fund is one where the Investment Manager has discretion over the composition of its portfolio, subject to the stated investment objectives and policy. An actively managed Sub-Fund does not have an index-tracking objective although it may include or imply reference to a benchmark.
<b>"Administration Agreement"</b>	the administration agreement between the Company, the Management Company and the Administrator.
<b>"Administrative Agent Fees"</b>	the fees payable to the Administrator pursuant to the Administration Agreement.
<b>"Administrator"</b>	Citco Fund Services (Luxembourg) S.A., or any successor thereto duly appointed in accordance with the requirements of the CSSF as the administrator of the Company.
<b>"Application Form"</b>	the application form for Shares for use by investors.
<b>"Articles"</b>	the Articles of Association of the Company, as may be amended from time to time.
<b>"Benefit Plan Investor"</b>	a "benefit plan investor" as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being "employee benefit plans" as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, "plans" that are subject to the prohibited transaction provisions of Section 4975 of the IRC, and entities the assets of which are treated as "plan assets" under Section 3(42) of ERISA and any regulations promulgated thereunder.
<b>"Business Day"</b>	in relation to a Sub-Fund any day on which banks are open for business in Luxembourg, London, Dublin and/or such other place or places and such other day or days as the Directors may determine and notify to Shareholders in advance.
<b>"Benchmark Regulation"</b>	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instrument and financial contracts or to measure the performance of investment funds.

<b>"Board" or "Board of Directors"</b>	directors appointed as the board of directors of the Company for the time being and any successors, as may be appointed from time to time.
<b>"CFTC"</b>	<i>US Commodity Futures Trading Commission.</i>
<b>"CPO"</b>	a "commodity pool operator", as such term is defined by the US Commodity Exchange Act.
<b>"CSSF"</b>	<i>Commission de Surveillance du Secteur Financier</i> of Luxembourg, the supervisory authority in Luxembourg.
<b>"Dealing Day"</b>	such Business Day or Business Days as specified in the relevant Supplement for a Sub-Fund or any such other day or days as the Directors may determine and notify in advance to the Shareholders provided there shall be at least two Dealing Days in each month occurring at regular intervals. A list of expected non-Dealing Days for the Sub-Funds is available from the Management Company on request and is also available on the internet site <a href="http://www.lumyna.com">www.lumyna.com</a> . The Management Company, in agreement with the Principal Investment Manager and the Investment Manager, may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement and recommend to the Directors that such closures be treated as non-Dealing Days for Sub-Funds which invest a substantial amount of their portfolio on these local stock exchanges and/or regulated markets.
<b>"Dealing Request Deadline"</b>	time and date by which subscription, conversion and redemption requests must be received by the Administrator in respect of any relevant Dealing Day as specified in the relevant Supplement for a Sub-Fund or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.
<b>"Depositary"</b>	J.P. Morgan SE, Luxembourg Branch or any successor thereto approved by the CSSF as depositary of the Company.
<b>"Depositary Agreement"</b>	the depositary and custodian agreement between the Company, the Management Company and the Depositary.

<b>"Directors"</b>	the members of the Board for the time being and any successors to such members as may be appointed from time to time in accordance with the requirements of the CSSF.
<b>"Distribution Shares"</b>	Shares in respect of which income is distributed periodically to Shareholders.
<b>"Domiciliary Agent"</b>	Citco Fund Services (Luxembourg) S.A.
<b>"EMIR"</b>	Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories as may be amended, supplemented or consolidated from time to time.
<b>"ERISA"</b>	the United States Employee Retirement Income Security Act of 1974, as amended.
<b>"ESMA"</b>	the European Securities and Markets Authority.
<b>"FATCA"</b>	Means the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA), and any U.S. Treasury regulations issued thereunder, Internal Revenue Services ("IRS") rulings or other official guidance pertaining thereto.
<b>"FCA"</b>	Financial Conduct Authority of the United Kingdom.
<b>"Financial Derivative Instrument"</b>	as set out in Appendix 2 attached hereto.
<b>"GDPR"</b>	Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation (Regulation 2016/679).
<b>"IFRS"</b>	International Financial Reporting Standards.
<b>"Ineligible Applicant"</b>	<p>any person, firm or corporate body 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) be detrimental to the Company or the majority of its Shareholders; or</p> <p>c) require the Company, the Management Company, the Principal Investment Manager or the Investment Manager to be registered under any law or regulation whether as an</p>

	<p>investment fund or otherwise, or cause the Company to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or</p> <p>d) cause the Company, a Sub-Fund, its Shareholders or the Management Company, the Principal Investment Manager or the Investment Manager some legal, regulatory, taxation (including FATCA, Benefit Plan Investor, Common Reporting Standard or any similar provisions), pecuniary or material administrative disadvantage which the Company, a Sub-Fund, its Shareholders, the Management Company, the Principal Investment Manager or the Investment Manager might not otherwise have incurred or suffered, including, without limitation, if it would cause the Company or the Sub-Funds to be required to register pursuant to the 1934 Act, as amended, or the rules promulgated thereunder, to register as an investment company under the 1940 Act, to register any Shares under the 1933 Act.</p>
<b>"Initial Offer Period"</b>	the period set out by the Directors in relation to any Sub-Fund or Class of Shares as the period during which Shares are initially on offer and as specified in the relevant Supplement.
<b>"Initial Offer Price"</b>	the initial price payable for a Share as specified in the relevant Supplement.
<b>"Investment Management Agreement"</b>	the investment management agreement between the Company, the Principal Investment Manager and the Investment Manager, as may be amended and/or supplemented from time to time.
<b>"Investment Manager"</b>	Marshall Wace LLP.
<b>"Investment Funds Legislation"</b>	the UCITS Directive, the 2010 Law and the UCITS V Level 2 Measures.
<b>"Institutional Investors"</b>	investors who qualify as institutional investors according to the Article 174 of the 2010 Law.
<b>"IRC"</b>	the US Internal Revenue Code of 1986, as amended.
<b>"Management Company Agreement"</b>	the management company agreement between the Company and the Management Company, as may be amended and/or supplemented from time to time.
<b>"Management Company"</b>	Generali Investments Luxembourg S.A.
<b>"Member State"</b>	A member State of the European Union.

<b>"Minimum Additional Subscription"</b>	the minimum additional investment for each Class of Shares as specified in the relevant Supplement.
<b>"Minimum Holding"</b>	the minimum holding for each Class of Shares as specified in Section 3 "Share Dealing" on page 32.
<b>"Minimum Subscription"</b>	the minimum investment for each Class of Shares as specified in the relevant Supplement.
<b>"Money Market Instruments"</b>	instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time.
<b>"Net Asset Value"</b>	the assets of the Company, a Sub-Fund or a Class (as the context may require) less the liabilities of (or attributable to) the Company, Sub-Fund or Class concerned as calculated in accordance with the Articles.
<b>"Net Asset Value per Share"</b>	the Net Asset Value in respect of any Sub-Fund or a Class divided by the number of Shares in issue in such Sub-Fund or Class.
<b>"OECD"</b>	<i>Organisation for Economic Co-operation and Development.</i>
<b>"Other UCI"</b>	an undertaking for collective investment within the meaning of Article 1, paragraph (2), points a) and b) of the UCITS Directive.
<b>"Paying Agent"</b>	any paying agent as may be appointed by the Company.
<b>"Performance Reference Period"</b>	means the time horizon over which the performance is measured and compared with that of the reference indicator.
<b>"Principal Distributor"</b>	Lumyna Investments Limited.
<b>"Principal Investment Management Agreement"</b>	the investment management agreement between the Company, the Management Company and the Principal Investment Manager, as may be amended and/or supplemented from time to time.
<b>"Principal Distribution Agreement"</b>	the principal distribution agreement between the Management Company and the Principal Investment Manager, as may be amended and/or supplemented from time to time.
<b>"Principal Investment Manager"</b>	Lumyna Investments Limited.
<b>"Redemption Price"</b>	the price per Share at which Shares are redeemed or calculated in the manner described on page 39.
<b>"RCS"</b>	The Luxembourg <i>Registre de Commerce et des Sociétés</i> .

"RESA"	The Luxembourg <i>Recueil des Sociétés et Associations</i> .
"SFTR"	Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
"Share Class" or "Class" or "Class of Shares"	a class or designation of Shares in a particular Sub-Fund or all of the Shares issued by the Company as a particular class or designation of Shares relating to a single Sub-Fund, as the context requires.
"Shareholder"	a holder of Shares in the Company.
"Specified US Person"	means a US Person (except if solely defined by virtue of Regulations S or Rule 4.7) <b>excluding</b> (1) a corporation the stock of which is regularly traded on one or more established securities markets for a calendar year; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the US Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, the District of Columbia, any US Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the US Internal Revenue Code; (6) any bank as defined in section 581 of the US Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the US Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the US Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 US C. 80a-64); (9) any common trust fund as defined in section 584(a) of the US Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the US Internal Revenue Code or that is described in section 4947(a)(1) of the US Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the US Internal Revenue Code. This definition shall be interpreted in accordance with the IRC.
"Sub-Fund"	one of the sub-funds of the Company.



<b>"Supplement"</b>	a supplement to this Prospectus specifying certain information in respect of a Sub-Fund and/or one or more Classes. Each of the Supplements is to be regarded as an integral part of the Prospectus.
<b>"UCITS"</b>	undertaking for collective investment in transferable securities authorised in accordance with the UCITS Directive.
<b>"UCITS Directive"</b>	directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS), as amended.
<b>"UCITS V Level 2 Measures"</b>	Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries.
<b>"US Person"</b>	a citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time, a corporation or partnership created or organised in the United States or under the laws of the United States or any state, a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US Persons have the authority to control all substantial decisions of the trust, an estate which is subject to US tax on its worldwide income from all sources, or any person falling within the definition of the term "US person" under Regulation S promulgated under the 1933 Act or under Rule 4.7 under the US Commodity Exchange Act.
<b>"Valuation Point"</b>	the point, whether on a periodic basis or for a particular Net Asset Valuation, as at which the Administrator carries out a valuation of the assets of the Company or a Sub-Fund (as the case may be) for the purpose of determining the price at which a Class of Shares may be issued, cancelled or redeemed as specified in the relevant Supplement for that Sub-Fund.
<b>"1933 Act"</b>	the US Securities Act of 1933, as amended.
<b>"1934 Act"</b>	the US Securities Exchange Act of 1934, as amended.
<b>"1940 Act"</b>	the US Investment Company Act of 1940, as amended.
<b>"2010 Law"</b>	The Law of 17 December 2010 relating to undertakings for collective investment, as amended.

In this Prospectus, all references to "EUR", "Euro" and "€" are to the unit of the European single currency, all references to "US\$", "USD" and "\$" are to the currency of the United States, all references to "GBP", "Sterling" and "£" are to the currency of the United Kingdom, all references to "JPY" and "Yen" means the currency of Japan and all references to "CHF" and "Swiss Franc" are to the currency of Switzerland.

## SECTION 1: THE COMPANY

### 1. Structure

The Company has been incorporated as a *société anonyme* under the laws of Luxembourg and qualifies as a *société d'investissement à capital variable (SICAV) à compartiments multiples* having the status of an undertaking for collective investment subject to part I of the 2010 Law and subject to the supervision of the CSSF. The minimum capital of the Company shall not be less than the minimum amount prescribed by the 2010 Law.

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

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

The liabilities of a particular Sub-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 Sub-Fund) shall be binding on the Company but only to the extent of the particular Sub-Fund's assets and in the event of a particular Sub-Fund's liabilities exceeding its assets, recourse shall not be made against the assets of another Sub-Fund to satisfy any such deficit.

The Company was incorporated on 22 June 2021 and is registered with the RCS under Number B256275. Its Articles are on file with the RCS and were published in the RESA on 29 June 2021.

The Company's base currency (the "**Base Currency**") is the USD and all the financial statements of the Company will be presented in USD. The Base Currency of each Sub-Fund is the USD and such Base Currency will also be disclosed in the relevant Supplement.

### 2. Investment Objectives and Investment Policies

The exclusive object of the Company is the collective investment of its assets in transferable securities, money market instruments and other permissible assets such as referred to in the 2010 Law, with the purpose of offering various investment opportunities, spreading investment risk and offering its Shareholders the benefit of the management of the Company's assets.

Details of the investment objective, investment policies and terms relating to an investment in a Sub-Fund will be set out in the relevant Supplement.

The investments of each Sub-Fund shall at any time comply with the restrictions set out in Appendix 1, and investors should, prior to any investment being made, take due account of the risks of investment in a Sub-Fund of the Company set out in Appendix 3.

#### 2.1 **Profile of Typical Investor**

The typical investor in the Sub-Funds will be an experienced and knowledgeable investor who understands and appreciates the risks associated with investing in Shares of such Sub-Funds. The choice of specific Sub-Fund should be determined by the attitude to risk, wish 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.

## SECTION 2: ADMINISTRATION – FEES AND EXPENSES

### 1. Administration details

#### 1.1 Directors

The Directors are responsible for the overall management and control of the Company in accordance with the Articles and the Prospectus.

Each of the Directors is entitled to remuneration at a rate determined by a general meeting of Shareholders of the Company from time to time. In addition, each Director may be paid reasonable expenses incurred in the performance of their duties, including but not limited to attending meetings of the Directors or general meetings of the Company.

#### 1.2 Management Company

The Company has appointed Generali Investments Luxembourg S.A. to serve as its management company pursuant to the Management Company Agreement and to provide investment and risk management, administration and marketing functions to the Company, with the possibility to delegate part of such functions to third parties.

The authority of the Management Company is subject always to the overall policies, direction, control and responsibility of the Company.

The Management Company was incorporated in Luxembourg on 1 July 2014 as a public limited liability company and is authorised as a management company pursuant to Chapter 15 of the 2010 Law and as alternative investment fund manager pursuant to the Law of 12 July 2013 relating to alternative investment fund managers, as amended. The Management Company is registered with the RCS under number B 188 432 and has its registered office in Luxembourg, at 4, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. The Management Company's capital amounts to one million nine hundred twenty one thousand and nine hundred euro (EUR 1,921,900) which is fully paid up.

The conducting officers of the Management Company shown below are in charge of and responsible for the business areas mentioned opposite their respective names:

Mattia Scabeni	Human Resources, Marketing and Distribution, Portfolio Management
Pierre Bouchoms	Finance, Financial Risk Management, Operational Risk Management and Investment Compliance, Valuation
Francesco Mosiello	Financial Risk Management, Valuation, Operational Risk Management and Investment Compliance
Guillaume Grange	Internal Audit, Legal and Corporate Affairs, Compliance and Oversight of Delegates, Business Development
Erionald Lico	Compliance, AML/CTF, Claim and Complaint Handling
Stéphane Henkinet	Alternative Assets Administration, Liquid Assets Administration, Analytics and Reporting, IT, Procurement and Office Management

The Management Company has designed and implemented a remuneration policy which is consistent with sound and effective risk management by having a business model which by its nature does not promote excessive risk taking by the Management Company. The Management Company's

remuneration policy integrates governance, balanced pay structure between fixed and variable components as well as risk and long-term performance alignment rules, in a multi-year framework, is designed to be consistent with the business strategy, objectives, values and interests of the Company and the Shareholders and includes measures to avoid conflicts of interest.

Details of the Management Company's remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committees, are available on [www.lumyna.com](http://www.lumyna.com). A paper copy of such remuneration policies are also available to investors free of charge upon request at the registered office of the Management Company.

### 1.2.1 Management Company Agreement

The Management Company Agreement may be terminated by either party on 90 days' notice in writing. The Management Company Agreement may, *inter alia*, be terminated by either party forthwith in writing if the other party:

- commits any material breach of its obligations under the Management Company Agreement (i) and fails to remedy it within 30 days of receipt of notice from the non-defaulting party requiring it to do so;
- becomes insolvent or is unable to pay its debts;
- goes into liquidation except for the purposes of amalgamation or reconstruction; or
- is so required by law and regulations or any competent authority.

The Management Company Agreement shall terminate immediately if the Management Company ceases to be authorised by the CSSF to act as management company.

The Management Company shall not be liable to the Company except if and to the extent such losses, liabilities, costs and expenses are due to fraud, negligence, wilful misconduct, reckless disregard, bad faith or material breach of the Management Company Agreement on the part of the Management Company or its directors, officers or employees. The Management Company will be responsible for the acts and omissions of its delegates.

The Company shall indemnify and hold harmless the Management Company for any and all losses, liabilities, costs and expenses incurred by the Management Company or its directors, officers or employees, howsoever arising in the course of the Management Company Agreement, except if and to the extent that such losses, liabilities, costs and expenses are due to fraud, negligence, wilful default, reckless disregard, bad faith or material breach of the Management Company Agreement on the part of the Management Company or its directors, officers or employees.

In accordance with article 110(2) of 2010 Law, the liability of the Management Company shall not be affected by delegation by the Management Company of any functions to third parties.

### 1.3 Principal Investment Manager and Principal Distributor

The Management Company has delegated its investment management function to the Principal Investment Manager pursuant to the Principal Investment Management Agreement. Under the Principal Investment Management Agreement, the Principal Investment Manager is (subject to the control of and review by the Management Company) responsible for managing the assets of the Sub-

Funds on a discretionary basis in pursuit of the investment objective and policy and subject to the investment restrictions.

The Principal Investment Manager is a limited company incorporated under English law on 23 December 2013 and authorised and regulated by the Financial Conduct Authority. The articles of association of the Principal Investment Manager were filed with the United Kingdom's Companies House.

The Principal Investment Manager is exempt from CFTC registration and reporting obligations with respect to each Sub-Fund under CFTC Rule 3.10(c)(3).

The Management Company has also appointed Lumyna Investments Limited as the Principal Distributor to act as the global distributor to solicit subscriptions for Shares with power to appoint additional sub-distributors, nominees and/or capital introducers or sales agents to assist it in the distribution of the Shares of the Sub-Funds in the countries in which they are marketed.

Sub-distribution agreements may be entered into by the Principal Distributor provided that the appointees are professionals of the financial sector who are not domiciled in the United States of America, hold the pre-requisite regulatory authority to sell the Shares of the relevant Sub-Funds and have completed the Principal Distributor's third party distributor approval process.

The sub-distributors will carry out activities of marketing, placement and sale of Shares of the Company.

Investors may subscribe for Shares by applying directly to the Administrator without having to subscribe through one of the sub-distributors/nominees and/or capital introducers or sales agents, unless a nominee's services are essential or mandatory under the laws or regulations applicable to the investor or for operational reasons.

#### *1.3.1 Principal Investment Management Agreement*

Under the Principal Investment Management Agreement, the Principal Investment Manager shall not be liable to the Company for any and all losses, liabilities, costs and expenses incurred by the Company or its Directors, officers or employees, except if and to the extent that such losses, liabilities, costs and expenses are due to fraud, negligence, wilful misconduct, reckless disregard, bad faith or material breach of the Principal Investment Management Agreement on the part of the Principal Investment Manager or its directors, officers or employees.

The Principal Investment Management Agreement shall continue in force unless and until terminated in accordance with the provisions contained therein. The Principal Investment Management Agreement shall, inter alia, be automatically terminated in case the Management Company Agreement is terminated and may be terminated by either party by giving not less than six months' written notice to the other party.

#### **1.4 Investment Manager**

The Principal Investment Manager has sub-delegated its investment management functions and distribution functions to the Investment Manager, Marshall Wace LLP. The Investment Manager was founded by Paul Marshall and Ian Wace. The Investment Manager was incorporated as a limited liability partnership on 16 May 2002 under the laws of England and Wales and is authorised and regulated by the Financial Conduct Authority.

The Investment Manager was appointed pursuant to the Investment Management Agreement. Under the Investment Management Agreement, the Investment Manager (subject to the control of and review

by the Principal Investment Manager) manages the assets of the Sub-Funds on a discretionary basis in pursuit of the investment objective and policy and subject to the investment restrictions.

The Investment Manager is exempt from the obligations as a registered CPO with respect to each Sub-Fund pursuant to CFTC Rule 4.13(a)(3) on the basis that, among other things (i) each Shareholder is a "qualified eligible person", as defined under Section 4.7(a)(2) of the United States Commodity Exchange Act, as amended, an "accredited investor" as defined under US Securities and Exchange Commission ("SEC") rules or such other eligible person as set forth in CFTC Rule 4.13(a)(3); (ii) the Shares are exempt from registration under the 1933 Act and are offered and sold without marketing to the public in the United States; (iii) Shares are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets and (iv) at all times a Sub-Fund establishes a commodity interest or securities futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed five per cent of the liquidation value of such Sub-Fund's portfolio; or (b) the aggregate net notional value of such Sub-Fund's commodity interest and security futures positions will not exceed one hundred per cent of the liquidation value of such Sub-Fund's portfolio.

The Investment Manager operates a written procedure for the consideration of complaints from customers. Any complaints about the Investment Manager should be referred to the compliance officer of the Investment Manager. An extract of the Investment Manager's compliance manual detailing its complaints policy and procedures is available on request. Certain investors will have the right to complain to the UK Financial Ombudsman Service.

The Marshall Wace group ("MW") has a long-term strategic partnership with KKR & Co. Inc. ("KKR"), a global investment firm. KKR holds 39.6% in MW as at 30 November 2019. MW continues to operate independently of KKR, although KKR has board representation in two of the MW group's holding entities and certain other contractual rights. KKR has no involvement or responsibility in the management of any funds and/or investment vehicles established and managed by the Investment Manager, including the Company.

#### *1.4.1 Investment Management Agreement*

The Investment Management Agreement may be terminated by either party on 90 days' notice in writing or upon immediate written notice to the other party if so required by any competent regulatory authority.

The Investment Manager may terminate the Investment Management Agreement forthwith by notice in writing to the Principal Investment Manager if the CSSF withdraws the Company from the list of authorised investment funds.

The Investment Manager shall not be liable for any loss of opportunity or any decline in the value of a Sub-Fund's portfolio except to the extent that such loss or decline is due to its negligence, wilful default or fraud or that of any of its directors, partners, officers or employees. The Investment Manager shall not be liable for any loss arising from errors of fact or judgement or any action taken (or omitted to be taken) by it or its directors, partners, officers or employees howsoever arising except to the extent that any such error or action (or the omission thereof) is due to its negligence, wilful default or fraud or that of any of its directors, partners, officers or employees.

The Company shall indemnify, and keep indemnified out of the assets of the Sub-Fund and hold harmless the Investment Manager and its directors, partners, officers and employees, from and against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Investment Manager in its capacity as investment manager of the Sub-Fund other than those resulting from (i) an active breach of the investment restrictions contained in the investment policy of the Sub-Fund provided that such active breach was not caused due to an instruction of the Company,

or (ii) a material breach of the Investment Manager's obligations, representations and warranties (as appropriate) set out in the Investment Management Agreement or (iii) the Investment Manager's fraud, negligence or wilful default in the performance or non-performance of its obligations and functions pursuant to the Investment Management Agreement or (iv) expenses incurred by the Investment Manager for which it is responsible (iv) the Principal Investment Manager's fraud, negligence or wilful default in the performance or non-performance of its obligations and functions pursuant to the Agreement or the Principal Investment Management Agreement.

#### *1.4.2 Sub-Distribution Agreement*

The Principal Distributor has also granted Marshall Wace LLP (the "Sub-Distributor") the non-exclusive right to distribute the Sub-Funds to institutional investors, introduce potential institutional clients, promote the sale of the Shares including to existing institutional investors in investment funds or accounts managed or advised by the Sub-Distributor and/or its affiliates and fulfil any other tasks which it considers are required to facilitate the distribution and marketing strategy of the Company and the relevant Sub-Fund in accordance with the Prospectus, the relevant Supplement and all applicable laws.

The sub-distribution agreement may be terminated by any party by giving the other not less than 90 days' prior written notice.

The Sub-Distributor will not be liable for any costs, losses, claims and expenses ("Claims") suffered or incurred by the Company, the Management Company or the Principal Distributor except to the extent that such Claims are due to the Sub-Distributor's negligence, wilful default or fraud in the performance or non-performance of its obligations and duties under the terms of the sub-distribution agreement.

The Company shall indemnify, and keep indemnified out of the assets of the relevant Sub-Fund, and hold harmless the Sub-Distributor and its directors, partners, officers and employees from and against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Sub-Distributor in its capacity as distributor of the relevant Sub-Fund other than those resulting from (i) fraud, negligence or wilful default in the performance or non-performance of the obligations and duties under the sub-distribution agreement on the part of the Sub-Distributor and expenses incurred by the Sub-Distributor for which it is responsible pursuant to the sub-distribution agreement or (ii) the Principal Distributor's fraud, negligence or wilful default in the performance or non-performance of its obligations and functions pursuant to the sub-distribution agreement or the Principal Distributor Agreement or (iii) the Management Company's fraud, negligence or wilful default in the performance or non-performance of its obligations and functions as management company of the Company and/or pursuant to the Principal Distribution Agreement.

### **1.5 Administrator, Registrar, Domiciliary and Transfer Agent**

Citco Fund Services (Luxembourg) S.A., a public limited liability company organised under the laws of Luxembourg, having its registered office at 20, rue de la Poste, L-2346 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg R.C.S. Luxembourg under number B 139860, has been appointed as administrator and as registrar and transfer agent and as the domiciliary agent pursuant to the Administration Agreement.

Pursuant to the Administration Agreement, the Administrator is responsible, under the supervision of the Management Company, for matters pertaining to the administration of the Company, namely: (a) maintaining the accounting books and records of the Company, calculating the Net Asset Value of the Company and preparing monthly financial statements; (b) maintaining the financial books and records of the Company; (c) providing registrar and transfer agent services in connection with the issuance, transfer and redemption of the Shares; and (d) performing other administrative and clerical services necessary in connection with the administration of the Company.



The Administrator is not responsible for ensuring compliance by the Company or the Sub-Funds with the investment restrictions set out in Appendix 1 "Investment Restrictions". The Administrator is a third party service provider to the Company and each Sub-Fund and the Administrator is not responsible for the preparation of this document or the activities of the Company and the Sub-Funds and therefore accepts no responsibility for any information contained in this document. The Administrator will not participate in the investment decision-making process.

An investment by an investor in a Sub-Fund will constitute such investor's acknowledgement, agreement and consent for purposes of article 41 (2 bis) of the law of 5 April 1993 on the financial sector as amended, for the duration of the investor's investment in the Sub-Fund and for the period prescribed under the applicable laws and regulations thereafter that (a) confidential and personal information submitted and/or provided to the Company, the Management Company, the Principal Investment Manager, the Investment Manager and/or their affiliates, the Administrator and/or its affiliates in connection with its investment in the Sub-Fund and details of such investor's interest may be disclosed to and processed by the Administrator and/or its affiliates in order for the Administrator and/or its affiliates to comply with their respective contractual, legal and regulatory obligations in connection with the services the Administrator is engaged to provide to the Company. The categories of each investor's confidential and personal data the Administrator and/or its affiliates may transfer and process in connection with its investment in the Company may include without limitation all anti-money laundering, counter-finance terrorism, know-your-customer identification and verification documents, including (i) names, dates of birth, citizenship, location of residence and birth place, passport, driver's licence; (ii) contact details and professional addresses (including physical address, email address and telephone number); (iii) account data, financial data, payment instructions and other information contained in any document the investor provides the Company; (iv) information regarding the investor's status under various laws and regulations, including social security number, tax status, income and assets; (v) information regarding the investor's interest and holdings in other funds or other investment vehicles managed and/or advised by the Management Company, the Principal Investment Manager, the Investment Manager and/or their respective affiliates; (vi) source of funds used to make the investment in the Sub-Fund or other investment vehicle; (vii) data relating to any individual regarded as a politically exposed person; and (viii) criminal offences data (where relevant) ((i) to (vii) above together, "Data"); and (b) its Data may be disclosed to and processed by the Administrator and/or its affiliates (including Citco Fund Services (Ireland) Limited) subject to and in accordance with the terms of the Administrator's engagement with or in respect of the Company (which engagement includes the ability for the Administrator and/or its affiliates, to delegate and/or outsource to its group members and/or third parties certain of the services (including without limitation anti-money laundering checks, fund accounting, investor relations, tax, middle-office, company secretarial, treasury, depository (as applicable) services) the Administrator has agreed to provide, which necessitate the transfer of the investor's Data to such persons) and such other parties which intervene in the process of the business relationship (e.g. external processing centres, dispatch or payment agents), in each case including without limitation companies or other entities based in countries outside Luxembourg (including without limitation Canada, Cayman Islands, Curacao, India, Ireland, Lithuania, the Netherlands, the Philippines, Singapore, Switzerland and the United States of America).

For further information, the Administrator's privacy notice can be accessed at: <https://citco.com/footer/privacy-policy/>.

### 1.5.1 Administration Agreement

The Management Company has appointed the Administrator as central administrator agent, registrar and transfer agent under the Administration Agreement.

The Administration Agreement may be terminated by any party on 90 days' notice in writing. The Administration Agreement may, *inter alia*, be terminated by any party forthwith in writing if the other party:

- commits any material breach of its obligations under the Administration Agreement (i) and fails to remedy it within 30 days of receipt of notice from the non-defaulting party requiring it to do so, (ii) which is not capable of remedy or (iii) which is considered as a persistent material breach.
- is unable to pay its debts, commences liquidation proceedings or if a receiver is appointed over its assets;
- becomes unlawful to carry on its business.

The Management Company may terminate forthwith the Administration Agreement if so required by applicable law or by the CSSF.

The Administrator will not be liable for any action in accordance with or pursuant to any written or oral instruction, information, request or advice of the Company.

Each of the Company and the Management Company, as applicable, agrees to indemnify and keep indemnified, out of the assets of the relevant Sub-Fund(s), the Administrator from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, claims, demands, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against any of them howsoever arising (other than by reason of negligence, bad faith, fraud, wilful misconduct on the part of the Administrator or the material breach of the Administration Agreement by the Administrator) in connection with (i) in the case of the Company, the provision by the Administrator of the domiciliation services to the Company and (ii) in the case of the Management Company, the provision by the Administrator of all other services as described in the Administration Agreement.

### 1.6 Depositary

Pursuant to a depositary agreement (the "Depositary Agreement"), J.P. Morgan Bank SE, acting through its Luxembourg Branch has been appointed as the depositary (the "Depositary") to provide depositary, custodial, settlement and certain other associated services to the Company. For its services, the Depositary receives an annual fee, payable monthly as set forth herein under the Section 2 "Administration – Fees and Expenses". The Depositary shall assume its functions and responsibilities in accordance with the UCITS Regulation as further described in the Depositary Agreement. In particular, the Depositary will be responsible for the safekeeping and ownership verification of the assets of the Fund, cash flow monitoring and oversight in accordance with the UCITS Regulation.

J.P. Morgan SE is a European Company (Societas Europaea) organized under the laws of Germany, having its registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank; J.P. Morgan SE, Luxembourg Branch is authorized by the CSSF to act as depositary and fund administrator and is licensed to engage in all banking operations under

the laws of the Grand Duchy of Luxembourg. The Depositary will further, in accordance with the Investment Funds Legislation:

- a) ensure that the issue, redemption and cancellation of Shares effected by the Company or on its behalf are carried out in accordance with the 2010 Law and/or the Articles;
- b) ensure that the Net Asset Value per Share of the Company is calculated in accordance with the 2010 Law and the Articles;
- c) carry out, or where applicable, cause any sub-custodian or other custodial delegate to carry out the Instructions of the Company unless they conflict with the 2010 Law and the Articles;
- d) ensure that in transactions involving the assets of the Company, the consideration is remitted to it within the usual time limits; and
- e) ensure that the income of the Company is applied in accordance with the 2010 Law and the Articles.

The Depositary may entrust all or part of the assets of the Company that it holds in custody to such sub-custodians as may be determined by the Depositary from time to time. Except as provided in the Law, the Depositary's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to a third party.

The Depositary shall assume its functions and responsibilities in accordance with the Investment Funds Legislation as further described in a separate depositary agreement entered into with the Company and the Management Company.

#### *1.6.1 The Depositary Agreement*

The Company has appointed the Depositary as depositary under the Depositary Agreement.

The Depositary shall perform all the duties and obligations of a depositary under the Investment Funds Legislation as outlined in the Depositary Agreement.

The Depositary Agreement may be terminated by any party on 90 days' notice in writing. Subject to the Investment Funds Legislation, the Depositary Agreement may also be terminated by the Depositary on 30 days' notice in writing if (i) it is unable to ensure the required level of protection of the Company's investments under the Investment Funds Legislation because of the investment decisions of the Management Company and/or the Company; or (ii) the Company, or the Management Company on behalf of the Company, wishes to invest or to continue to invest in any jurisdiction notwithstanding the fact that (a) such investment may expose the Company or its assets to material country risk or (b) the Depositary is not able to obtain satisfactory legal advice confirming, among other things, that in the event of an insolvency of a sub-custodian or other relevant entity in such jurisdiction, the assets of the Customer held locally in custody are unavailable for distribution among, or realisation for the benefit of, creditors of such sub-custodian or other relevant entity.

Before expiration of any such notice period, the Company shall propose a new Depositary which fulfils the requirements of the Investment Funds Legislation and to which the Company's assets shall be transferred and which shall take over its duties as the Company's new depositary. The Company may not terminate the appointment of the Depositary and the Depositary may not retire from such appointment unless and until a successor depositary has been appointed.

The Depositary will be responsible for the safekeeping and ownership verification of the assets of the Company, cash flow monitoring and oversight in accordance with the Investment Funds Legislation. In

carrying out its role as depositary, the Depositary shall act independently for the Company and the Management Company and solely in the interest of the Company and its investors.

The Company will indemnify the Depositary against, and hold harmless from, any liabilities that may be imposed on, incurred by or asserted against the Depositary or its affiliates, subcustodian or their respective nominees, directors, officers, employees delegates and agents (“J.P. Indemnified Persons”) in connection with or arising out of (i) the Depositary’s performance under the Depositary Agreement, or (ii) any of J.P. Morgan Indemnified Persons’ status as a holder of record of the Company’s securities, other than as a result of the loss by the depositary, or any subcustodian or other custodial delegate of the Depositary, of any financial instruments of the Company, or the negligent action or omission, fraud or wilful misconduct of any J.P. Morgan Indemnified Person or the Depositary’s intentional failure to properly fulfil its obligations pursuant to the Investment Funds Legislation.

For the avoidance of doubt, the Depositary remains liable to the Company or its investors for the loss of any financial instrument held in custody by the Depositary or any of its delegates. The Depositary shall, however, not be liable if it can prove that the loss has arisen as a result of a *force majeure* event (as defined in the Depositary Agreement). The Depositary is also liable to the Company or its investors for all other losses suffered by them as a result of the Depositary’s negligent or intentional failure to properly fulfil its duties in accordance with the Depositary Agreement or the Investment Funds Legislation.

#### *1.6.2 Conflicts of Interest*

As part of the normal course of global custody business, the Depositary may from time to time enter into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise between the Depositary and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest, which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws including Article 25 of the UCITS Directive and its obligations to the Company and its investors.

#### *1.6.3 Sub-custodians and Other Delegates*

When selecting and appointing a sub-custodian or other delegate, the Depositary shall exercise all due skill, care and diligence as required by the Investment Funds Legislation to ensure that it entrusts the Company’s assets only to a delegate who may provide an adequate standard of protection.

A list of the Depositary’s appointed third-party delegates is attached to this Prospectus as Appendix 4.

### **1.7 Risk Manager**

The Management Company is responsible for the risk management of the Company and each of the Sub-Funds. Risk management is an integral part of the investment process. The primary risk management measures that are built into the portfolio construction process, at security level, are liquidity, position size, instrument volatility and directional exposure.

On a portfolio level, the primary risk measures are, where applicable, volatility and stock, sector, market and factor exposures (such as interest rates, currency rates, momentum indicators and valuation

measures). The Management Company under the supervision of the Board of Directors has the responsibility for the risk management.

## **2. Fees and Expenses**

### **2.1 Administration and Operating fees**

The Principal Investment Manager will be entitled to receive an administration and operating fee out of the assets of the Company of up to 0.26% p.a. of the Net Asset Value of the relevant Sub-Fund (before deduction of accrued Management Fee since the last Valuation Point and before deduction of any accrued Performance Fees, calculated as at each Valuation Point), (the "**Administration and Operating Fee**").

The Administration and Operating Fee is payable every month in arrears and is calculated as at 11.59 p.m. (Luxembourg time) on the last Business Day of each month and at each Valuation Point in accordance with the applicable methodology.

The Administration and Operating Fee will be used to pay (a) the fees payable to the Management Company, the Administrative Agent Fees and the fees payable to the Depositary (including any sub-custodian fees to the extent that these are not paid by the Depositary) and (b) administrative expenses (as further detailed below).

The administrative expenses mentioned under (b) above include but are not limited to:

- Costs associated with preparation of financial statements including audit fees;
- Charges and expenses of legal advisers, accountants and other professional advisors;
- Registration costs payable to governmental bodies and agencies and registration and supervision fees due to the CSSF;
- Corporate taxes and regulatory charges, local registrations fees and fees for investor information documentation including KIIDs and local paying agency fees;
- Regulatory reporting and charges for investor reporting services;
- Risk management and compliance costs;
- Shareholder services costs including all communication expenses with respect to investor services and all expenses of meetings of Shareholders, the preparation, printing and distribution of financial and other reports, proxy forms, prospectuses and similar documents;
- Insurances for the benefit of the Directors including Directors and officers' and professional indemnity insurance;
- Costs related to the liquidation of the Company or any Sub-Fund;
- Any VAT or other sales tax included on any of the fees and charges listed above; and
- All other organizational and operating expenses of the Company or any Sub-Fund.

In the event that the Administration and Operating Fee received by the Principal Investment Manager is insufficient to cover the fees and expenses referred to in (a) and (b) above, then the Principal

Investment Manager will settle any shortfall. Similarly, any surplus will be retained by the Principal Investment Manager.

The following fees are payable directly out of the assets of the Company and are not included in the Administration and Operating Fee:

- Investment expenses and costs related to transactions;
- Interest on borrowings, charges on short positions;
- all data-related and traderelated fees and expenses, including those relating to obtaining, preparing, manipulating, evaluating and utilising data of any kind, including transactional, risk, market and alternative data, and including information technology hardware, software or other technology (including costs of software licensing and licensing for using data, implementation, data management and recovery services and custom development) relating to the above;
- Expenses relating to brokers' commissions, research and/or trade ideas (including corporate access services);
- Directors' fees and expenses;
- Transaction taxes including transfer taxes or stamp duties chargeable in connection with securities transactions;
- Litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business;
- Fees related to the service of class FX hedging (where applicable); and
- Luxembourg *taxe d'abonnement*.

The Management Company, the Principal Investment Manager and the Investment Manager shall bear their own costs and expenses in connection with the establishment of the Company and the merger of the Sub-Funds into the Company.

The costs and expenses incurred by Management Company, the Principal Investment Manager and the Investment Manager in connection with the launch of any new Sub-Funds shall be borne by the relevant Sub-Fund incurring such costs. IFRS restricts the amortisation of organisational costs. Notwithstanding this, the Directors may amortise the costs and expenses of establishing a Sub-Fund over a period of time.

## **2.2 Payments for Research**

The Investment Manager, and where relevant, its authorised delegates, may utilise investment research services offered by brokers and independent service providers in undertaking each Sub-Fund's investment programme. Such research services may include, but are not limited to, published research notes or reports, other material or services suggesting or recommending an investment strategy or trade ideas (including in the form of software tools, programs or other technology), macroeconomic analysis, and access to research analysts or industry experts (including expert networks). The Investment

Manager considers that access to research services and materials is integral to its ability to undertake the investment programme, and that such services and materials will inform, and add value to, the Investment Managers' investment decisions made on behalf of the relevant Sub-Funds.

The Investment Manager may open and maintain one or more Research Payment Accounts to facilitate the payment for investment research services in accordance with the FCA rules applicable to the Investment Manager. Each Research Payment Account will be funded by a direct charge to the Company based on an estimated research budget set by the Investment Manager that may be amended from time to time. The Investment Manager may agree arrangements with brokers to collect the research payment charge alongside the transaction commissions paid by the relevant Sub-Funds.

The Investment Manager has adopted internal arrangements ("**Research Policy**"), including a methodology for valuing research that specifies criteria that will be used to assess its quality and usefulness in the investment process. The Investment Manager's policy is to calculate research budgets for each investment strategy employed by the Investment Manager on behalf of one or more of its clients, including the Company. The costs of research are allocated between the relevant clients of the Investment Manager as specified in the Research Policy.

### **2.3 Management Fee**

The Management Fee is the percentage per annum referred to in the relevant Supplement of the Net Asset Value (before deduction of accrued Management Fee since the last Valuation Point and before deduction of any accrued Performance Fees, calculated as at each Valuation Point). It is comprised of the investment management fee, the principal investment management fee and the principal distribution fee, further details of which are described below. The Management Fee will be paid out of the assets of the relevant Sub-Fund.

### **2.4 Investment Management Fee**

For its investment management services, the Investment Manager will receive an investment management fee out of the Management Fee, with respect to each Share Class equal to the relevant percentage per annum of the Net Asset Value of such Share Class (before deduction of accrued Management Fee since the last Valuation Point and before deduction of any accrued Performance Fees, calculated as at each Valuation Point). Such fee is payable every month and is accrued and calculated as at 11.59 p.m. (Luxembourg time) on the last Business Day of each month (in accordance with the methodology that applies at each Valuation Point) and at each Valuation Point.

The Investment Manager (in its capacity as Investment Manager) may from time to time and in its sole discretion and out of its own resources decide to rebate to some or all Shareholders (or their agents), or to intermediaries, or to the Sub-Fund, part or all of the Investment Manager's share of the Management Fee. Any such rebates may be applied by the Investment Manager in paying up additional Shares to be issued to the Shareholder.

Any such rebates will be granted on the basis of certain objective criteria determined by the Management Company and/or the Principal Investment Manager and/or the Investment Manager and may be granted to individual investors or group of investors who meet these objective criteria. These may include, but are not limited to, the amount subscribed and/or expected to be subscribed; the provision of support by the Shareholder during the launch of a new Sub-Fund or Class; the amount subscribed and/or expected to be subscribed in other funds and/or investment vehicles managed by the Principal Investment Manager and/or Investment Manager or any of their affiliates; and any other objective criteria determined by the Management Company to be appropriate in the granting of any rebate.

Further information relating to any such rebates is available to investors upon request to the Investment Manager and the Management Company.

## **2.5 Principal Investment Management Fee**

For its role as principal investment manager, the Principal Investment Manager will receive a principal investment management fee out of the Management Fee, with respect to each Share Class equal to the relevant percentage per annum of the Net Asset Value of such Share Class (before deduction of accrued Management Fee since the last Valuation Point and before deduction of any accrued Performance Fees, calculated as at each Valuation Point). Such fee is payable every month and is accrued and calculated as at 11.59 p.m. (Luxembourg time) on the last Business Day of each month (in accordance with the methodology that applies at each Valuation Point) and at each Valuation Point.

The Principal Investment Manager (in its capacity as Principal Investment Manager and Principal Distributor) may from time to time and in its sole discretion and out of its own resources decide to rebate to some or all Shareholders (or their agents), or to intermediaries, or to the Sub-Fund, part or all of the Principal Investment Manager's share of the Management Fee. Any such rebates may be applied by the Principal Investment Manager in paying up additional Shares to be issued to the Shareholder.

Any such rebates will be granted on the basis of certain objective criteria determined by the Management Company and/or the Principal Investment Manager and/or the Investment Manager and may be granted to individual investors or group of investors who meet these objective criteria. These may include, but are not limited to, the amount subscribed and/or expected to be subscribed; the provision of support by the Shareholder during the launch of a new Sub-Fund or Class; the amount subscribed and/or expected to be subscribed in other funds and/or investment vehicles managed by the Principal Investment Manager and/or Investment Manager or any of their affiliates; and any other objective criteria determined by the Management Company to be appropriate in the granting of any rebate.

Further information relating to any such rebates is available to investors upon request to the Principal Investment Manager and the Management Company.

## **2.6 Principal Distribution Fee**

For its distribution services, the Principal Distributor will receive a principal distribution fee out of the Management Fee, with respect to each Share Class equal to the relevant percentage per annum of the Net Asset Value of such Share Class (before deduction of accrued Management Fee since the last Valuation Point and before deduction of any accrued Performance Fees, calculated as at each Valuation Point). Such fee is payable every month and is accrued and calculated as at 11.59 p.m. (Luxembourg time) on the last Business Day of each month (in accordance with the methodology that applies at each Valuation Point) and at each Valuation Point.

The principal distribution fee will include any payments due from the Principal Distributor to any sub-distributors who are appointed by the Principal Distributor from time to time.

## **2.7 Performance Fee**

The Investment Manager may receive a Performance Fee as further detailed in the relevant Supplement.

The Performance Reference Period for any Share Class of any Sub-Fund corresponds to the whole life of the relevant Share Class.



## **2.8 Fees Arising from Efficient Portfolio Management Techniques**

The Sub-Funds do not currently engage in efficient portfolio management techniques. In the event that a Sub-Fund engages in such techniques, direct and indirect operational costs and fees (which shall not include hidden revenue) arising from efficient portfolio management techniques may be deducted from the revenue arising from such techniques and delivered to the Sub-Fund.

Such costs and fees may be paid to entities which are affiliates of the Depositary.

## SECTION 3: SHARE DEALING

### 1. General

Several Classes may be issued in respect of each Sub-Fund, distinguished, inter alia, by their criteria for subscription, redemption, Minimum Holding, fee structure and dividend policy (as well as separate currency designations within a class for different currencies). A separate Net Asset Value per Share will be calculated for each Class.

The Board has authorised the issue of A, B, C, C1, C2, D, F, G, J and X Shares in some or all Sub-Funds.

Share Class	Retail/Institutional	Availability	Minimum initial subscription	Minimum Additional Subscription	Minimum Holding amount
A	Institutional	Available to Institutional Investors	5,000,000	N/A	100
B	Institutional	Available to Institutional Investors	1,000,000	N/A	100
C	Retail	Only available for subscription and continued holding by the employees and partners of the Investment Manager and its affiliates and to persons connected with such employees and partners	N/A <sup>1</sup>	N/A	100
C1	Institutional	Only available for subscription and continued holding by the employees and partners of the Investment Manager and its affiliates and to persons and investment vehicles connected with such employees and partners	N/A <sup>2</sup>	N/A	100
C2	Institutional	Only available for subscription by other funds and/or similar investment vehicles established and managed by the Investment Manager or any of its affiliates	N/A <sup>3</sup>	N/A	100
D	Retail	Available to appointed distributors only	20,000	N/A	100
F	Retail	Only available to: (a) appointed distributors which have established an investment advisory relationship in writing with their clients, in return for a fee where the intermediary may not receive or keep any fees from the Principal	20,000	N/A	100

<sup>1</sup> Except for Lumyna-MW Systematic Alpha UCITS Fund, for which the minimum initial subscription amount will be 20,000.

<sup>2</sup> Except for Lumyna-MW Systematic Alpha UCITS Fund, for which the minimum initial subscription amount will be 20,000.

<sup>3</sup> Except for Lumyna-MW Systematic Alpha UCITS Fund, for which the minimum initial subscription amount will be 20,000.

		Distributor; or (b) clients within a discretionary asset management mandate; or (c) other investors at the discretion of the Directors			
G	Institutional	Available to institutional investors	35,000,000	N/A	100
J	Retail	Only available to: (a) appointed distributors which have established an investment advisory relationship in writing with their clients, in return for a fee where the intermediary may not receive or keep any fees from the Principal Distributor; or (b) clients within a discretionary asset management mandate; or (c) other investors at the discretion of the Directors	100,000	N/A	100
X	Institutional	Available to selected Institutional Investors	50,000,000	N/A	100

The limits for minimum initial subscription, Minimum Additional Subscription and Minimum Holding amount for any Sub-Fund or Class may be waived or reduced at the discretion of the Directors.

The Shares in any Sub-Fund shall be issued in such reference currency as may be determined by the Board of Directors such as EUR, GBP, USD, CHF or such other convertible currency.

Information regarding (i) the availability of Classes in issue, (ii) the availability of distribution (inc) and/or capitalisation (acc) Shares and (iii) the reference currency in which Classes shall be available may be obtained at [www.lumyna.com](http://www.lumyna.com) or from the Administrator.

Investors should note however that some Sub-Funds and/or Classes of Shares may not be available to all investors. The Company retains the right to offer only one or more Classes for purchase by certain investors in any particular jurisdiction according to objective criteria defined by the Board in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may, for example, reserve one or more Sub-Funds or Classes to Institutional Investors or appointed sub-distributors only. The Board of Directors may also decide to create one or several Classes which shall be dedicated to certain investors, each such Class of Shares corresponding to a specific pool of assets.

Shares may be issued in registered form only.

### 1.1 Hedged Share Classes

Shareholders of Shares denominated in a currency other than the Base Currency of the relevant Sub-Fund ("**Non-Base Currency Shares**") will be subject to the risk that the value of their Non-Base Currency Shares will fluctuate against the Base Currency shares. The Investment Manager will, in respect of a Sub-Fund, to the extent required in order to maintain the limits mentioned below, hedge Non-Base Currency Shares in order to attempt to reduce or minimise the effect of fluctuations in the exchange rate on the value of the Non-Base Currency Shares. Any profit and loss resulting from such foreign exchange hedging will be allocated only to the Non-Base Currency Shares to which the specific hedge relates. Due to the foregoing, each Class of Shares may differ from each other in their overall performance. Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Investment Manager. The Investment Manager will limit currency hedging to the extent of the relevant Non-Base

Currency Shares currency exposure and shall monitor such hedging on at least a monthly basis to seek to ensure that such currency hedging shall not fall short of 95% of the portion of the Net Asset Value of the Share Class which is to be hedged or exceed 105% of the Net Asset Value of the relevant hedged Non-Base Currency Shares and to review hedged positions in excess of 105% of the Net Asset Value of the relevant hedged Non-Base Currency Shares to seek to ensure that positions materially in excess of 100% or under-hedged will not be carried forward from month to month. In the event that the currency hedging in respect of a hedged Non-Base Currency Shares exceeds 105% of the Net Asset Value of the relevant hedged Non-Base Currency Shares due to market movements or redemptions of Shares, the Investment Manager shall reduce such currency hedging appropriately as soon as possible thereafter. The Investment Manager shall not combine or offset currency exposures of different Classes and the Investment Manager shall not allocate currency exposures of assets of a Sub-Fund to separate Classes.

Investors should note that there is no segregation of liabilities between the individual Classes of Shares within a Sub-Fund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to Non-Base Currency Shares could result in liabilities affecting the net asset value of the other Classes of the same Sub-Fund. An up-to-date list of the Classes with a contagion risk is available upon request at the registered office of the Company.

Each Sub-Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-Fund, and within the Sub-Funds charges will be allocated between Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-Fund may be allocated by the Directors in a manner that they believe is fair to the Shareholders generally. This allocation will normally be pro rata to the Net Asset Value of the relevant Sub-Funds.

## **1.2 Dilution**

A Sub-Fund may suffer a reduction in value, known as "dilution" when trading the underlying investments as a result of net inflows or net outflows of the respective Sub-Fund. This is due to transaction charges and other costs that may be incurred by liquidating and purchasing the underlying assets and the spreads between the buying and selling prices.

### *1.2.1 Anti-Dilution levy*

Where indicated in the relevant Supplement, the Redemption Price per Share may be adjusted by deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the relevant Sub-Fund.

Such dealing costs may include, but will not be limited to, losses attributable to selling the relevant Sub-Fund's assets at a discount reflecting their nature.

## **1.3 Aggregation of Settlement**

With a view to securing efficiencies in settlement costs, a Sub-Fund may enter into arrangements with one or more other funds and/or similar investment vehicles established and managed by the Investment Manager or any of its affiliates ("Marshall Wace Funds") to aggregate the settlement of transactions effected through the same broker in accordance with applicable laws and regulations. Pursuant to the arrangements, the settlement of transactions entered into by the relevant Marshall Wace Funds through the same executing broker on the same day would be aggregated and the relevant transactions settled at the relevant broker using a volume weighted average price. The transactions would be allocated to the relevant Marshall Wace Funds at the actual execution price achieved for each relevant Marshall Wace Fund and the relevant Marshall Wace Funds would arrange the necessary balancing payments between them to put themselves in the position as if such aggregated settlement had not

taken place. Prospective investors should note that in such circumstances a Sub-Fund may be in net credit or debit relative to the relevant Marshall Wace Fund(s).

#### **1.4 Market Timing and Frequent Trading Policy**

The Company takes appropriate measures to ensure that subscription, redemption and conversion requests will not be accepted after the time limit set for such requests in this Prospectus and the relevant Supplement.

The Company does not knowingly allow subscriptions, redemptions and conversions which are associated with market timing, short term trading or similar practices, as such practices may adversely affect the interests of all Shareholders. The Company reserves the right to reject subscription, redemption and conversion requests from any investor whom the Company suspects of using such practices and to take, if appropriate, other necessary measures to protect the other Investors of the Company.

As set out in the CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which, an investor systematically subscribes for and redeems or converts shares of the same Sub-Fund 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 per Share.

### **2. Subscriptions**

#### **2.1 Initial Offer Period**

Shares in the Company may be subscribed for during the 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 Initial Offer Period. The Directors may extend or shorten the Initial Offer Period at their discretion.

#### **2.2 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 (see below under "Procedure"). The Subscription Price will be equal to the Net Asset Value per Share as at the relevant Valuation Point.

The Directors may close a Sub-Fund or any Class of Shares to new subscriptions on such basis and on such terms as the Directors may in their sole discretion determine.

#### **2.3 Management of Capacity in any Share Class or Sub-Fund**

The Directors may close some or all of the Share Classes in a Sub-Fund to subscriptions, and subscriptions from existing Shareholders and/or new investors on each Dealing Day may be limited to a maximum amount if the assets attributable to the Sub-Fund are at a level, above which, as determined by the Directors, the Principal Investment Manager and the Investment Manager, is not in the best interests of Shareholders to accept further subscriptions, for instance where the size of the Sub-Fund may constrain the ability of the Investment Manager to meet the investment objective.

The Directors may subsequently re-open some or all of the Share classes in the Sub-Fund to further subscriptions from existing and/or new Shareholders or amend the maximum subscription amount(s) in agreement with the Investment Manager, at their discretion and the process of closing and potentially, re-opening the Share classes may be repeated thereafter as the Directors may determine from time to time.

Shareholders may ascertain the closed or open status of the Share Classes and if those Share Classes are open to existing and/or new Shareholders by contacting the Administrator. Latest details can also be found on [www.lumyna.com](http://www.lumyna.com). Closing the Share Classes to new subscriptions from existing and/or new Shareholders will not affect the redemption rights of Shareholders.

## **2.4 Procedure**

Applicants for Shares during the Initial Offer Period should complete and sign an Application Form and send it to the Administrator as an attachment to an email or by any other electronic means so as to be received by the Administrator no later than the last day of the Initial Offer Period. Unless otherwise stated in the relevant Supplement, cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by 11.59 p.m. (Luxembourg time) on the second Business Day following the last day of the Initial Offer Period. If the relevant Application Form is not received by this time, the application will be held over until the first Dealing Day after the Application Form is received and Shares will then be issued at the relevant Subscription Price on that Dealing Day. Applicants for Shares may be required to compensate the Company, at the discretion of the Directors, for any loss resulting from late settlement or a failure or default in connection with the settlement of a purchase order for Shares.

After the Initial Offer Period, applicants for Shares and Shareholders wishing to apply for additional Shares, must send their completed and signed Application Form as an attachment to an email or by any other electronic means to the Administrator. Applications accepted prior to the Dealing Request Deadline for any particular Dealing Day will be processed on that Dealing Day. Unless otherwise stated in the relevant Supplement, cleared funds in the relevant currency in respect of the subscription monies must be received by the Administrator by 11.59 p.m. (Luxembourg time) on the second Business Day after the relevant Dealing Day. Applicants for Shares may be required to compensate the Company, at the discretion of the Directors, for any loss resulting from late settlement or a failure or default in connection with the settlement of a purchase order for Shares. Any applications received after the Dealing Request Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their sole discretion otherwise determine to accept one or more applications received after the Dealing Request Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for that particular Dealing Day.

All applications received by email or by other electronic means are subject to the prompt receipt by the Administrator of the completed and signed Application Form as an attachment to an email or by any other electronic means to the Administrator, and such other supporting documents (such as documentation in relation to money laundering prevention checks) as may be required. Subsequent applications may be processed without a requirement to submit documentation, depending on the manner in which additional subscriptions are made.

The Administrator will issue a written confirmation on receipt of the subscription confirming the trade details, typically within 24 hours, subject to complete documentation. Once the Net Asset Value has been finalised, written confirmations of ownership will be issued to successful applicants confirming acceptance of their application.

Fractions of Shares to four decimal places will be issued if necessary. Interest on subscription monies will accrue to the Company.

The Company reserves the right to reject any application in whole or part at its sole 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.

## **2.5 Operation of Subscriptions Cash Accounts in the name of the Company in respect of the relevant Sub-Fund**

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received will be held in a cash account in the name of the Company in respect of the relevant Sub-Fund and will be treated as an asset of the relevant Sub-Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held as investor monies for the relevant investor).

Attention is drawn to the section of the Prospectus entitled "Appendix 3 - Certain Risk Factors" – "1.20 Operation of Subscriptions/Redemptions Cash Accounts" below.

## **2.6 Minimum Investment**

The Minimum Holding, the Minimum Subscription and the Minimum Additional Subscription for each Class in respect of each Sub-Fund are set out in the table above.

## **2.7 Ineligible Applicants**

The Company will not issue Shares to any investor who is considered to be an Ineligible Applicant. The Directors may, at their discretion, delay the acceptance of any subscription for Shares until such date as the Company has received sufficient evidence that such investor does qualify as an eligible investor.

The Application Form requires each prospective applicant for Shares to represent and warrant to the Company that, among other things, he/she/it is not an Ineligible Applicant.

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, any Sub-Fund or any Shareholder incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company, any Sub-Fund or any Shareholder might not otherwise incur or suffer, or would result in the Company being required to register under any applicable US securities laws.

Please also refer to section "3.4. Compulsory Redemptions" below.

Shares may not be issued or transferred to any US Person.

Without limiting the generality of the foregoing, the Company will not accept any subscriptions from, and Shares may not be transferred to, any investor, if it is a Benefit Plan Investor. Without limiting the ability of the Company to compel the compulsory redemption of Shares by anyone who is an Ineligible Applicant, the Company, in its sole discretion, will require the compulsory redemption of Shares held by Benefit Plan Investors.

If the transferee is not already a Shareholder, it will be required to complete the appropriate Application Form.

## **2.8 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, and not by a share certificate unless requested by the Shareholder of the Shares.

## **2.9 Suspension**

The Directors may declare a suspension of the redemption of Shares in certain circumstances as described under "4.3 Suspension of Valuation of Assets" on page 46. No Shares will be redeemed during any such period of suspension.

## **2.10 Anti-Money Laundering and Counter Terrorist Financing Measures**

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circular 13/556 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements and circulars of the supervising authority, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investments for money laundering and financing of terrorism purposes. As a result of such provisions, the Administrator ascertains the identity of the applicant in accordance with Luxembourg laws and regulations. The Administrator may require applicants to provide any document it deems necessary to effect such identification. In addition, the Administrator, as delegate of the Management Company, may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law and the FATCA Law.

Each applicant for Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process his application for Shares if such information and documentation as has been requested by the Administrator has not been provided by the applicant.

Each subscriber and Shareholder will be required to make such representations to the Company as the Company, the Principal Investment Manager, the Investment Manager or the Administrator will require in connection with applicable anti-money laundering programmes, including, without limitation, representations to the Company that such subscriber or Shareholder is not a prohibited country, territory, individual or entity listed on the US 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. Such subscriber or Shareholder will also represent to the Company that amounts contributed by it to the Company were not directly or indirectly derived from activities that may contravene US Federal, state, or international laws and regulations, including, without limitation, any applicable anti-money laundering laws and regulations.

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in case of redemption, payment of redemption proceeds may be delayed. Neither the Company, the Management Company nor the Administrator will be held responsible for said delay or failure to process deals resulting from the failure of the applicant to provide documentation or incomplete documentation.

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

## **3. Redemptions**

### **3.1 Procedure**

Shares will be redeemable at the option of the Shareholder on each Dealing Day.



Redemption requests may be submitted to the Administrator as an attachment to an email or by any other electronic means no later than the Dealing Request Deadline for any Dealing Day. All redemption requests must quote the Shareholder name and account number, the relevant Sub-Fund(s) and Class, the email address to which the contract note is to be sent, and be signed by or on behalf of the Shareholder by a person with the ability to bind the Shareholder before payment of redemption proceeds can be made. Redemption requests as an attachment to an email or by any other electronic means will be treated as definite orders. No redemption payment may be made to a shareholder until all documentation required by the Company (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed.

The Administrator will confirm in writing within 24 hours of receipt all redemption requests which are received in good order. Investors failing to receive such written confirmation from the Administrator within 24 hours should contact the Administrator to obtain the same. Failure to obtain such written confirmation will render instructions void.

Any redemption requests received after the Dealing Request Deadline for a Dealing Day will be processed on the next Dealing Day unless the Directors in their sole discretion determine otherwise.

A request for a partial redemption of Shares will 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, subject to the discretion of the Company which may waive such minimum upon formal application by the redeeming Shareholder, provided that in waiving such minimum, the Company considers there to be no detriment to the other Shareholders.

A redemption request may be amended or withdrawn provided instructions related to such amendment or withdrawal are received by the Administrator prior to the Dealing Request Deadline.

### **3.2 Redemption Price**

The Redemption Price per Share will be equal to the Net Asset Value per Share of the relevant Class as at the relevant Valuation Point less any applicable anti-dilution levy or other charges, as further detailed in this Prospectus, the relevant Supplement or the Articles.

### **3.3 Settlement**

Payment of redemption proceeds will be made as soon as practicable after the relevant Dealing Day and normally within 3 Business Days of the relevant Dealing Day. 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 and expense. Payments made on receipt of instructions, as an attachment to an email or by any other electronic means will only be processed where payment is made to the account of record of the Shareholder.

### **3.4 Operation of Redemptions Cash Accounts in the name of the Company in respect of the relevant Sub-Fund**

Redemption monies payable to an investor subsequent to a Dealing Day of a Sub-Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the Sub-Fund as of the relevant Dealing Day) will be held in a cash account in the name of the Company in respect of the relevant Sub-Fund and will be treated as an asset of the Sub-Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor).

Attention is drawn to the section of the Prospectus entitled "Appendix 3 - Certain Risk Factors" –"1.20 Operation of Subscriptions/Redemptions Cash Accounts" below.

### **3.5 Compulsory Redemptions**

The Directors have the right to require the compulsory redemption of all or part of the Shares held by or for the benefit of a Shareholder if the Directors determine that the Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant as described under "2. Subscriptions", or who have not satisfactorily completed measures aimed at the prevention of money laundering and terrorist financing. The Company also reserves the right to require compulsory redemption of all Shares held by a Shareholder if the Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding. Where the Net Asset Value of the Shares held by a Shareholder is less than the Minimum Holding and the Company decides to exercise its right to compulsorily redeem, the Company or one of its delegates will notify the Shareholder and allow such Shareholder 30 calendar days to purchase additional Shares to meet the minimum requirement.

The Directors may also compel any Shareholder to redeem some or all of the shareholding at any time where the holder of Shares of a Sub-Fund or Class is not an Institutional Investor or does not meet the eligibility criteria to subscribe into the relevant Class, or if the Directors have reasonable cause to suspect that any of the representations given by a Shareholder were or have become untrue or inaccurate, or if in the opinion of the Directors, the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage to the Company, the relevant Sub-Fund, its Shareholders or the Management Company, Principal Investment Manager or Investment Manager. The Company will have no liability in respect of any losses or costs incurred as a result of such redemption.

If it appears at any time that a holder of Shares of a Sub-Fund or Class is not an Institutional Investor or does not meet the eligibility criteria to subscribe into the relevant Class, the Board of Directors will have the right to convert the relevant Shares into Shares of a Class, which is not restricted to Institutional Investors or for which the applicant meets the eligibility criteria and the Company in so doing will have no liability in any of the foregoing circumstances in respect of any losses or costs incurred by the relevant investor.

In addition, in the event that a Sub-Fund has reached a size that the Investment Manager considers may be detrimental to its performance, the Directors may, on the advice of the Investment Manager, redeem some of the Shares issued to Shareholders in a Sub-Fund pro-rata to their holdings in the relevant Sub-Fund.

### **3.6 Deferred Redemptions**

The Directors may defer redemptions at a particular Dealing Day to the next Dealing Day where the requested redemptions exceed 10% of a Sub-Fund's Net Asset Value. The Directors will ensure the consistent treatment of all Shareholders who have sought to redeem Shares on any Dealing Day on which redemptions are deferred. The Directors will pro-rate all such redemption requests to the stated level (i.e. 10% of the Sub-Fund's Net Asset Value) and will defer the remainder until the next Dealing Day. Requests for redemption which have been carried forward from an earlier Dealing Day shall (subject to the foregoing limits) be complied with in priority to redemption requests received subsequently.

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.

### **3.7 Redemptions in kind**

The Directors may, at the discretion of the Company and with the consent of the Investment Manager and the individual Shareholders, satisfy any request for redemption of Shares by the transfer in kind to those Shareholders of assets of the relevant Sub-Fund having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in cash less any expenses of the transfer. The Directors shall determine the nature and type of assets to be transferred to the Shareholders (subject to the approval of the Depositary as to the asset allocation) on such basis as they, in their sole discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Sub-Fund or Class. A determination to provide for a redemption in kind may be solely at the discretion of the Directors where the redeeming Shareholder requests redemption of a number of Shares that represent at least 5% of the Net Asset Value of the Sub-Fund. The valuation used shall be confirmed by a special report of the auditor of the Company and the Investment Manager will, if requested by the Directors, sell the assets on behalf of the Shareholder. The cost of such sale shall be borne by the relevant Shareholder.

### **3.8 Anti-Money Laundering**

Investors should note that the Directors may refuse to settle a redemption request if it is not accompanied by such additional information as they, or the Administrator on their behalf, may reasonably require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for anti-money laundering verification purposes as described under "2. Subscriptions".

### **3.9 Conversions**

Except when issues and redemptions of Shares have been suspended in the circumstances described under "4.3 Suspension of Valuation of Assets", holders of Shares may request an exchange of some or all of their Shares in one Class or Sub-Fund (the "Original Class") to Shares in another Class or Sub-Fund (the "New Class"). Such exchanges can only take place, if following the exchange, the Shareholder's holding in the New Class will satisfy the criteria and applicable Minimum Holding requirements of that Class or Sub-Fund.

Shareholders should send a completed conversion request in the form available from the Administrator to be received by the Administrator prior to the earlier of (i) the Dealing Request Deadline for redemptions in the Original Class and (ii) 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, unless the Directors in their sole discretion otherwise determine. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Fractions of Shares to four decimal places may be issued by the Company on conversion where the value of Shares exchanged from the Original Class is not sufficient to purchase an integral number of Shares in the New Class and any balances representing entitlements of less than a fraction of a Share to four decimal places will be retained by the Company in order to discharge administration costs.

A conversion fee of up to 5% of Net Asset Value of Shares in the original Sub-Fund may be charged at the discretion of the Board. The Directors do not currently intend to charge any conversion fee and will give reasonable notice to Shareholders of any intention to charge such a fee.

A conversion request may be amended or withdrawn provided instructions related to such amendment or withdrawal are received by the Administrator prior to the Dealing Request Deadline.

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 = the number of Shares of the New Class to be allotted.
- R = the number of Shares in the Original Class to be redeemed.
- NAV = the Net Asset Value per Share of the Original Class as at the relevant Valuation Point for the relevant Dealing Day.
- ER = the currency conversion factor (if any) as determined by the Administrator as representing the effective rate of conversion of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Sub-Funds or Classes where the base currencies are different or, where the base currencies are the same, ER = 1.
- SP = the Net Asset Value per Share of the New Class as at the relevant Valuation Point for the relevant Dealing Day.

#### **4. Valuation**

##### **4.1 Net Asset Value and Valuation of Assets**

The Net Asset Value of each Sub-Fund will be calculated by the Administrator as at the Valuation Point for each Dealing Day in accordance with the Articles and as at 11.59pm (Luxembourg time) on the last Business Day of each month (in accordance with the methodology that applies at each Valuation Point). The Net Asset Value of a Sub-Fund shall be determined as at the Valuation Point for the relevant Dealing Day by valuing the assets of such Sub-Fund (including income accrued but not collected) and deducting the liabilities of such Sub-Fund. The Net Asset Value attributable to a Class shall be determined as at the Valuation Point for the relevant Dealing Day by calculating that portion of the Net Asset Value of a Sub-Fund attributable to the relevant Class at the Valuation Point by reference to the number of Shares in issue in such Sub-Fund or Class on the relevant Dealing Day subject to adjustment to take account of assets and/or liabilities attributable to such Sub-Fund or Class. The Net Asset Value of a Sub-Fund will be expressed in the Base Currency of such Sub-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 at the Valuation Point for each Dealing Day by dividing the Net Asset Value of a Sub-Fund or attributable to a Class by the total number of Shares in issue in such Sub-Fund or Class at the relevant Valuation Point and rounding the resulting total to four decimal places or such number of decimal places as the Directors may otherwise determine.

The Directors have resolved that the Valuation Point with respect to any investment whose securities (or, if applicable, whose underlying securities) are traded on an exchange located in Australia, New Zealand, Japan or any other country within Asia or Australasia, will be deemed to be the closing time of the appropriate local exchange on the Business Day immediately preceding the relevant Dealing Day, or if such exchange was not open for trading on such Business Day, the closing time of the relevant local exchange on the last day on which such exchange was open for trading. Where a security or underlying security is traded on more than one exchange and/or where the relevant exchange is located in more than one country, the Directors will have the sole discretion to determine which relevant exchange closing time will be deemed to apply to such security or underlying security for the purposes of determining the relevant Valuation Point.

The Directors have resolved that the foreign exchange spot rates and forward foreign exchange contracts for currencies other than the offshore Renminbi (CNH) will be valued at the World Markets Company rate published at 4 p.m. (London time) on the day of the relevant Valuation Point and for CNH will be valued at 9 a.m. (GMT) on the day of the relevant Valuation Point to ensure parity with the World Markets Company published CNY rate.

In determining the value of the assets of the Company:

- (A) Securities which are quoted, listed or traded on a eligible market save as hereinafter provided at (D), (E), (F), (G) and (H) will be valued at last 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 eligible market 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 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 on the Valuation Point provided that a competent professional or a valuation committee (having been appointed 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 security which is not quoted, listed or dealt in on a 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 professional or a valuation committee appointed 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 day on which the Valuation Point occurs.
- (D) Derivative contracts traded on a regulated 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 the (i) Directors or the Principal Investment Manager or (ii) a competent professional or a valuation committee appointed 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 or (ii) using an "Alternative Valuation" provided by a competent person or the valuation committee appointed by the Directors. 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.
- (E) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated 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 bid price as published by the relevant collective investment scheme or, if listed or traded on an 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 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.
- (I) Any value expressed otherwise than in the Base Currency of a Sub-Fund shall be converted into the Base Currency of such Sub-Fund at the prevailing exchange rate (whether official or otherwise) that the Directors shall determine to be appropriate.
- (J) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Directors with care and in good faith or by a competent professional or a valuation committee appointed by the Directors.
- (K) 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 Sub-Fund, it is expected that the following principles will apply:

- in determining the value of investments of each Sub-Fund the Directors may at their discretion instead value the investments of each Sub-Fund at the lowest market dealing bid prices where on any Dealing Day the value of all redemption requests received exceeds the value of all applications for Shares received for that Dealing Day or at highest market dealing offer prices where on any Dealing Day the value of all applications for Shares received for that Dealing Day exceeds the value of all redemption requests received for that Dealing Day, in each case in order to preserve the value of the Shares held by existing Shareholders;
- for every Share agreed to be issued by the Directors with respect to each Dealing Day, the assets of the Sub-Fund shall include both cash and cash to be received in respect of such Shares issued;
- 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;
- there shall be added to the assets of a Sub-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 Sub-Fund;
- there shall be added to the assets of a Sub-Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses;
- there shall be added to the assets of a Sub-Fund the total amount (whether actual or estimated by the Directors or their delegate) of any claims for repayment of any taxation levied at the Company or Sub-Fund level on income or capital gains including claims in respect of double taxation relief;

- where notice of the redemption of Shares has been received by the Company with respect to a Sub-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 at the Valuation Point and the value of the assets of the Sub-Fund, as at the Valuation Point, shall be deemed to be reduced by the amount payable upon such redemption.

There shall be deducted from the assets of the Sub-Fund:

- the total amount of any actual or estimated liabilities properly payable out of the assets of the Sub-Fund including any and all outstanding borrowings of the Sub-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;
- such sum in respect of tax (if any) at the Company or Sub-Fund level on income or capital gains realised on the investments of the Company or Sub-Fund as in the estimate of the Directors will become payable;
- the amount (if any) of any distribution declared but not distributed in respect thereof;
- the remuneration of the Administrator, the Depositary, the Principal Investment Manager, the Investment Manager, any distributor and any other providers of services to the Sub-Fund accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
- the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable out of the assets of the Sub-Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
- an amount as of the relevant Valuation Point representing the projected liability of the Sub-Fund in respect of costs and expenses to be incurred by the Sub-Fund in the event of a subsequent liquidation;
- 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 Sub-Fund or Class of Shares; and
- any other liability which may properly be deducted.

In the absence of negligence, fraud or wilful default, every decision taken by any competent professional or valuation committee appointed by the Directors 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.

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

The Net Asset Value per Share will be published weekly and on the last Business Day of the month at [www.lumyna.com](http://www.lumyna.com) and updated following each calculation of Net Asset Value. In addition, the Net Asset Value per Share may be obtained free of charge from, and will be available at, the offices of the Administrator, the Investment Manager, the Management Company or the relevant paying agent (if any) during normal business hours.

### 4.3 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, a Sub-Fund or a Class and the issue, conversion and/or redemption of Shares in any Sub-Fund:

- A. during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the 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 a Sub-Fund or a Class 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 value of any of the Company's investments of the relevant Sub-Fund; or
- D. during the whole or any part of any period when for any reason the 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 Sub-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. for the purpose of winding up the Company or terminating any Sub-Fund;
- G. if any other reason makes it impossible or impracticable to determine the value of a portion of the investments of the Company or any Sub-Fund; or
- H. if, in the sole discretion of the Directors, suspension of the determination of Net Asset Value is in the interest of Shareholders (or Shareholders in that Sub-Fund or Class as appropriate; or
- I. during any period where circumstances exist that would justify the suspension for the protection of Shareholders in accordance with applicable laws.

Any suspension of the valuation of the Net Asset Value of the Company, a Sub-Fund or a Class and the issue, exchange and redemption of Shares in any Class shall be notified immediately to the CSSF and the Depositary without delay and, in any event, within the same Business Day. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The CSSF may also require that the Company temporarily suspend the determination of the Net Asset Value and the issue and redemption of Shares if it decides that it is in the best interests of the general public and the Shareholders to do so.



## SECTION 4: GENERAL INFORMATION

### 1. Conflicts of interest

The Directors, the Management Company, the Principal Investment Manager, the Investment Manager, the Depositary and the Administrator and/or their respective affiliates or any person connected with them may from time to time act as directors, investment manager, manager, distributor, trustee, custodian, 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 Sub-Funds or which may invest in the Sub-Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Company or any of its Sub-Funds. The Directors and each of the other foregoing entities will, at all times, have regard in such event to its obligations to the Company and will endeavour to ensure that such conflicts are resolved fairly. In addition, subject to applicable law, any of the foregoing may deal, as principal or agent, with the Sub-Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and are consistent with the best interests of Shareholders as provided in the Investment Funds Legislation. Any of the Directors, the Management Company, the Principal Investment Manager, the Investment Manager, the Depositary and the Administrator and/or their respective members, directors or employees may deal with the Company as principal or as agent, provided that:

- (i) there is obtained a certified valuation of the transaction by a person approved by the Depositary (or a person who has been approved by the Directors as being independent and competent in the case of a transaction with the Depositary) as independent and competent; or
- (ii) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or
- (iii) where (i) and (ii) are not practical, execution is on terms which the Depositary (or the Directors in the case of a transaction with the Depositary) is satisfied conforms with the principle that the transaction is in the best interest of the Shareholders and is carried out as if effected on normal commercial terms negotiated at arm's length.

The Depositary (or the Company in the case of transactions involving the Depositary) must document how it has complied with the provisions of paragraph (i), (ii) or (iii) above. Where transactions are conducted in accordance with (iii) above, the Depositary (or the Company in the case of transactions involving the Depositary) must document their rationale for being satisfied that the transaction conformed to the principles outlined above.

The Investment Manager, the Management Company, the Principal Investment Manager or any of their affiliates or any person connected with the Investment Manager and/or the Management Company and/or the Principal Investment Manager, 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 Sub-Funds. None of the Investment Manager, the Management Company, the Principal Investment Manager or any of their affiliates or any person connected with the Investment Manager or the Management Company or the Principal Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware of to the Sub-Funds or to account to the Sub-Funds in respect of (or share with the Sub-Funds or inform the Sub-Funds 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 Sub-Funds and other clients.

In calculating a Sub-Fund's Net Asset Value, the Administrator may consult with the Management Company, the Principal Investment Manager and/or the Investment Manager with respect to the

valuation of certain investments. There is an inherent conflict of interest between the involvement of the Management Company, the Principal Investment Manager and/or the Investment Manager in determining the Net Asset Value of a Sub-Fund and the entitlement to a management fee and/or performance fee which is calculated on the basis of the Net Asset Value of the Sub-Fund.

## **2. Shareholder Notifications**

Relevant notifications or other communications to Shareholders concerning their investment in the Company may be posted on the website [www.lumyna.com](http://www.lumyna.com). In addition, and where required by Luxembourg law or the CSSF, Shareholders will also be notified in writing or in such other manner as prescribed under Luxembourg law.

## **3. Queries and Complaints**

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Management Company or the Principal Investment Manager. Details of the Management Company's and the Principal Investment Manager's complaints handling policy may be found on [www.lumyna.com](http://www.lumyna.com).

Pursuant to CSSF Regulation n°16-07 relating to out-of-court complaints resolution, the Management Company has a complaints management policy that is defined, endorsed and implemented by the board of directors of the Management Company. This procedure aims at facilitating the resolution of complaints against professionals without judicial proceedings. In this respect, the CSSF acts as an out-of-court complaint resolution body. The details of the Management Company's complaints resolution procedure will be made available, free of charge, to each Shareholder via a web portal, email or at the registered office of the Management Company.

## **4. Shareholder meetings**

The annual general meeting of Shareholders of the Company will be held at the registered office of the Company or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice at any date and time decided by the Board of Directors but no later than within six months from the end of the Company's financial year. Notices of general meetings shall be given in accordance with Luxembourg law. Notices of general meetings will be sent to the holders of Shares in compliance with the provisions of the Luxembourg law of 10 August 1915 on commercial companies (as amended). Such notices will include the agenda and specify the place of the meeting. The legal requirements as to notice, quorum and voting at all general and Sub-Fund or Share Class meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Share Class shall decide upon matters relating to that Sub-Fund or Share Class only.

The notice of any general meeting of Shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the Shares issued and outstanding at a certain date and time preceding the general meeting (the "**Record Date**"). The right of a Shareholder to participate at a general meeting of Shareholders and to exercise voting rights attached to the Shareholder's Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

## **5. Reports and Financial Statements**

The approved statutory auditor of the Company is Ernst & Young.

The Company's accounting period will end on 30 September in each year. The first audited annual

report will be dated as of 30 September 2021 and the first unaudited semi-annual report will be dated as of 31 March 2022.

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 31 January of each year). Copies of the unaudited half yearly reports will also be prepared within two months of the end of the half year period to which they relate (i.e., by 31 May of each year).

Copies of the annual audited financial statements and half yearly reports will be circulated to Shareholders and prospective investors upon request.

Information in respect of the past performance of each Sub-Fund will be disclosed in the Key Investor Information Documents produced in respect of each Sub-Fund.

## **6. Distribution Policy**

Whether Accumulation Shares or Distribution Shares will be issued in relation to a particular Sub-Fund will be disclosed on [www.lumyna.com](http://www.lumyna.com).

### *Distribution Shares*

Whether Accumulation Shares or Distribution Shares will be issued in relation to a particular Class will be described in the relevant Supplement. Each year the general meeting of Shareholders will decide, based on a proposal from the Directors, for each Sub-Fund and for both Distribution Shares and Accumulation Shares, on the use of the balance of the year's net income of the investments, from which dividends may be paid. Where applicable, a dividend will be distributed, either in cash or Shares within 2 months of the relevant annual general meeting.

The year's net income of each Sub-Fund will be spread across all the Distribution Shares, on the one hand, and all Accumulation Shares, on the other hand, in proportion of the net income corresponding to the Class of Shares in question.

The portion of the year's net income corresponding to Distribution Shares may at the direction of the Board, be distributed to the holders of the Distribution Shares either in cash or Shares.

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 Sub-Fund for the benefit of the Accumulation Shares.

At the same time that dividends are paid in respect of Distribution Shares, the part of the net assets of the Sub-Fund to be allocated to all the Distribution Shares will be reduced by the global amount of the dividends paid out while the part of the net assets of the Sub-Fund to be allocated to all Accumulation Shares will increase.

In addition to the dividends described in the preceding paragraphs, the Directors may decide to make a payment of interim dividends in accordance with the requirements imposed by Luxembourg law.

Payments will be made in the currency of the relevant Class. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Sub-Fund.

Dividends may be declared separately in respect of each Sub-Fund by a resolution of the Shareholders of the Sub-Fund concerned at the annual general meeting of Shareholders.

Attention is drawn to the section of the Prospectus entitled "Appendix 3 - Certain Risk Factors" – "1.20 Operation of Subscriptions/Redemptions Cash Accounts" below.

## **7. Documents available to investors**

Copies of the Prospectus, the Articles of the Company, the KIIDs and the latest audited annual report and unaudited semi-annual reports of the Company prepared in accordance with IFRS may be obtained, free of charge, upon request at the registered office of the Company and on the following website [www.lumyna.com](http://www.lumyna.com).

The following agreements are also available for inspection during business hours on any Business Day in Luxembourg at the registered office of the Company:

- The Management Company Agreement;
- The Depositary Agreement; and
- The Administration Agreement.

## **8. Liquidation and Mergers**

### **8.1 Termination and liquidation of Sub-Funds or Classes**

The Board may decide to compulsorily redeem all the Shares of any Sub-Fund or Class and thereby terminate and liquidate any Sub-Fund or Class in the event that, for any reason, the Board determines that:

- (i) the Net Asset Value of a Sub-Fund or Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Class to be operated in an efficient manner;
- (ii) changes in the legal, economic or political environment would justify such liquidation;
- (iii) further to the recommendation of the Principal Investment Manager, a product rationalisation would justify such liquidation; or
- (iv) it is in the general best interests of shareholders.

Investors will be informed of the decision to terminate a Sub-Fund or Class by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed and may be published on [www.lumyna.com](http://www.lumyna.com). The notice will explain the reasons for and the process of the termination and liquidation.

Notwithstanding the powers conferred on the Board by the preceding paragraph, the Shareholders of any Sub-Fund or Class, as applicable, may also decide on such termination by resolution taken by the general meeting of Shareholders of the Sub-Fund or Class and have the Company redeem compulsorily all the Shares of the Sub-Fund or Class at the Net Asset Value per Share for the applicable Valuation Point. The convening notice will explain the reasons for and the process of the proposed termination and liquidation.

Sub-Funds or Classes with a defined term will be automatically terminated and liquidated upon the occurrence of their term, as set out in the Supplements where applicable, unless terminated earlier in accordance with the provisions of this section.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Investors in the

Sub-Fund or Class concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board determines that it would not be in the best interest of investors in that Sub-Fund or Class or could jeopardise the fair treatment of investors.

All Shares redeemed will be cancelled.

Redemption proceeds which have not been claimed by investors upon the compulsory redemption will be deposited in escrow at the Caisse de Consignation in Luxembourg in accordance with applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

The termination and liquidation of a Sub-Fund or Class will have no influence on the existence of any other Sub-Fund or Class. The decision to terminate and liquidate the last Sub-Fund existing in the Company will result in the dissolution and liquidation of the Company as described under "8.2 Dissolution and liquidation of the Company" below.

## **8.2 Dissolution and liquidation of the Company**

The Company is incorporated for an unlimited period. It may be dissolved at any time with or without cause by a resolution of the general meeting of Shareholders adopted in compliance with applicable laws.

The compulsory dissolution of the Company may be ordered by Luxembourg competent courts in circumstances provided by the Law of 17 December 2010 and the law of 10 August 1915 on commercial companies, as amended.

As soon as a decision to dissolve the Company is taken and effective, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited. The liquidation will be carried out in accordance with the provisions of the Law of 17 December 2010 and law of 10 August 1915 on commercial companies, as amended. Liquidation proceeds which have not been claimed by investors at the time of the closure of the liquidation will be deposited in escrow at the Caisse de Consignation in Luxembourg. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

Any merger of a Sub-Fund shall be decided by the Board unless the Board decides to submit the decision for a merger to a meeting of Shareholders of the Sub-Fund concerned. In case of a merger of a Sub-Fund where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of Shareholders. No quorum is required for such meetings and decisions are taken by a simple majority of the votes cast.

The mergers referred to in this section will be undertaken within the framework of the 2010 Law.

## **9. Benchmark Regulation**

The Benchmark Regulation came into full effect on 1 January 2018. The Benchmark Regulation introduces a new requirement for all benchmark administrators providing indices which are used or intended to be used as benchmarks in the EU to be authorized or registered by the competent authority. In respect of the Sub-Funds, the Benchmark Regulation prohibits the use of benchmarks unless they are produced by an EU administrator authorized or registered by ESMA or are non-EU benchmarks that are included in ESMA's public register (the "Register") under the Benchmark Regulation's third country regime.

The benchmark used by the Sub-Fund Lumyna - MW TOPS China A Share UCITS Fund is provided by MSCI Limited and inscribed on the Register.

Benchmark administrators located in a third country must comply with the third country regime provided for in the Benchmark Regulation. The Management Company will make available a written plan setting out the actions that will be taken in the event of the benchmarks materially changing or ceasing to be provided, on request and free of charges at its registered office in Luxembourg.

## **10. Taxation**

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### **10.1 Taxation of the Company**

The Company is not subject to taxation in Luxembourg on its income, profits or gains.

The Company is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Sub-Funds are, nevertheless, in principle, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% per annum based on their net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% per annum is however applicable to any Sub-Fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% per annum is also applicable to any Sub-Fund or Share Class where the Shares of the Sub-Fund or the Share Class are only held by one or more Institutional Investors.

The Company or its individual Sub-Funds, may benefit from reduced subscription tax rates depending on the value of its or their net assets invested in economic activities that qualify as environmentally sustainable within the meaning of Article 3 of EU Regulation 2020/852 of 18 June 2020 (the "**Qualifying Activities**"). The reduced subscription tax rates would be:

- 0.04% if at least 5% of the total net asset value of the Company, or an individual Sub-Fund, are invested in Qualifying Activities;
- 0.03% if at least 20% of the total net asset value of the Company, or an individual Sub-Fund, are invested in Qualifying Activities;
- 0.02% if at least 35% of the total net asset value of the Company, or an individual Sub-Fund, are invested in - Qualifying Activities; and
- 0.01% if at least 50% of the total net asset value of the Company, or an individual Sub-Fund, are invested in Qualifying Activities.

The subscription tax rates mentioned above would only apply to the net assets of the Company or any relevant Sub-Fund invested in Qualifying Activities.

A subscription tax exemption applies to:

- The portion of any Sub-Fund's assets (pro rata) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject to the subscription tax;
- Any Sub-Fund (i) whose securities are only held by Institutional Investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Share Classes are in issue in the relevant Sub-Fund meeting (ii) to (iv) above, only those Share Classes meeting (i) above will benefit from this exemption;
- Any Sub-Fund, whose main objective is the investment in microfinance institutions; and
- Any Sub-Fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Share Classes are in issue in the relevant Sub-Fund meeting (ii) above, only those Share Classes meeting (i) above will benefit from this exemption.
- Any Sub-Fund only held by pension funds and assimilated vehicles.

## **10.2 Withholding tax**

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

## **10.3 Taxation of the Shareholders**

### *10.3.1 Luxembourg resident individuals*

Capital gains realised on the sale of the Shares by Luxembourg resident individuals investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the company.

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by

the solidarity surcharge (*contribution au fonds pour l'emploi*) giving an effective maximum marginal tax rate of 45.78% in 2020.

### *10.3.2 Luxembourg resident corporate*

Luxembourg resident corporate investors will be subject to corporate taxation at the rate of 24.94% (in 2020 for entities having their registered office in Luxembourg-City) on capital gains realised upon disposal of Shares and on the distributions received from the Company.

Luxembourg-resident corporate investors who benefit from a special tax regime, such as, for example, (i) a UCI subject to the 2010 Law, (ii) specialised investment funds subject to the amended law of 13 February 2007 on specialised investment funds, (iii) a reserved alternative investment funds subject to the Law of 23 July 2016 on reserved alternative investment funds, or (iv) a family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies, as amended, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg resident corporate investors except if the holder of the Shares is (i) a UCI subject to the 2010 Law, (ii) a vehicle governed by the amended law of 22 March 2004 on securitisation, (iii) an investment company in risk capital subject to the law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialized investment fund subject to the amended law of 13 February 2007 on specialised investment funds, as amended, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the amended law of 11 May 2007 related to family wealth management companies (as amended). The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth tax exceeding EUR 500 million.

### *10.3.3 Non-Luxembourg residents*

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

## **11. Automatic Exchange of Information**

The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 29 October 2014, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("DAC2") was adopted to implement the CRS among the EU Member States. The CRS and the DAC2 were implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law").

The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in (i) an EU Member State other than Luxembourg or (ii) a jurisdiction which has signed the Multilateral Agreement and which is identified in the list of reportable jurisdictions published by Grand Ducal Decree ("CRS Reportable Accounts"). Luxembourg financial institutions will



then report the information on such CRS Reportable Accounts to the Luxembourg tax authorities (Administration des Contributions Directes), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

By investing in the Company, the Investors acknowledge that (i) the Company is responsible for the treatment of the personal data provided for in the CRS Law; (ii) the personal data will inter alia be used for the purposes of the CRS Law; (iii) the personal data may be communicated to the Luxembourg tax authorities (Administration des Contributions Directes) and to the tax authorities of CRS reportable jurisdictions; (iv) responding to CRS-related questions is mandatory; and (v) the Investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (Administration des Contributions Directes).

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

### **11.1 United States ("US") Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")**

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

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "FATCA Law") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Company/the Management Company, in its capacity as the Company's management company, may: request information or documentation, including W-9 or W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain that shareholder's FATCA status; report information concerning a shareholder and his account holding in the Company to the Luxembourg tax authorities if such an account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA; report information to the Luxembourg tax

authorities (*Administration des Contributions Directes*) concerning payments to shareholders with FATCA status of a non-participating foreign financial institution; deduct applicable US withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA, the FATCA Law and the Luxembourg IGA, and divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

By investing in the Company, the investors acknowledge that: (i) the Company is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data obtained will be used *inter alia* for the purposes of the FATCA Law and such other purposes indicated by the Company in the Prospectus in accordance with applicable data protection legislation; (iii) the information provided may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and to the IRS; (iv) the investors have to respond to FATCA-related questions and have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*) and may contact the Company at its registered office to exercise their right.

The Company reserves the right to refuse any application for shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

**Prospective investors should consult their professional advisor on the individual impact of FATCA.**

## APPENDIX 1: Investment Restrictions

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

### 1. Investment in Transferable Securities and Liquid Assets

(A) The Company will invest in:

- (1) transferable securities and money market instruments admitted to or dealt in on a regulated market; and/or
- (2) transferable securities and money market instruments dealt in on another market in a Member State of the EU which is regulated, operated regularly and is recognised and open to the public; and/or
- (3) transferable securities and money market instruments added to official listing on a stock exchange in Europe, Asia, Oceania (including Australia), the American continents and Africa or dealt in on another market in the countries referred to above, which is regulated, operated regularly and is recognised and open to the public; and/or
- (4) recently issued transferable securities and money market instruments, provided that:
  - (I) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly, is recognised and open to the public, and
  - (II) such admission is secured within one year of the issue; and/or
- (5) units of UCITS and/or of other UCI, whether situated in an EU member state or not, provided that:
  - (I) such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Law, and that cooperation between authorities is sufficiently ensured,
  - (II) the level of protection for Shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
  - (III) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - (IV) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or

- (6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU member state or, if the registered office of the credit institution is situated in a non-EU member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Law; and/or
- (7) derivatives, including equivalent cash-settled instruments, dealt on a regulated market, and/or derivatives dealt over-the-counter, provided that:
  - (I) the underlying consists of securities covered by this section 1(A), Financial Indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
  - (II) the counterparties to OTC derivatives transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
  - (III) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative; and/or
- (8) money market instruments other than those dealt in on a regulated market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
  - (I) issued or guaranteed by a central, regional or local authority or by a central bank of an EU member state, the European Central Bank, the EU or the European Investment Bank, a non-EU member state or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU member states belong, or
  - (II) issued by an undertaking any securities of which are dealt in on regulated markets, or
  - (III) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in EU Law, or
  - (IV) issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with the Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- (9) In addition, the Company may invest a maximum of 10% of the Net Asset Value of any Sub-Fund in transferable securities or money market instruments other than those referred to under A(1) to A(4) and A(8) above.
- (10) Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any

Sub-Fund qualifying either as a feeder UCITS (a "**Feeder UCITS**") or as a master UCITS (a "**Master UCITS**"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with paragraph B below;
- derivatives, which may be used only for hedging purposes;

For the purposes of compliance with section 3 below, the Feeder UCITS shall calculate its global exposure related to derivatives by combining its own direct exposure under the above paragraph, with either:

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

(B) Each Sub-Fund may hold ancillary liquid assets. Liquid assets used to back-up derivatives exposure are not considered as ancillary liquid assets.

(C)

- (1) Each Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same issuing body (and in the case of structured financial instruments embedding derivatives, both the issuer of the structured financial instruments and the issuer of the underlying securities). Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of a Sub-Fund in an OTC derivatives transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A)(6) above or 5% of its net assets in other cases.
- (2) Furthermore, where any Sub-Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Sub-Fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Sub-Fund.

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

Notwithstanding the individual limits laid down in paragraph (C)(1), a Sub-Fund may not combine:

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

a single body in excess of 20% of its net assets.

- (3) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members.
- (4) The limit of 10% laid down in paragraph (C)(1) above shall be 25% in respect of debt securities which are issued by highly rated credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

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

- (5) The transferable securities and money market instruments referred to in paragraphs (C)(3) and (C)(4) are not included in the calculation of the limit of 40% referred to in paragraph (C)(2).

The limits set out in paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivatives made with this body, effected in accordance with paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) may not, in any event, exceed a total of 35% of each Sub-Fund's Net Asset Value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

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

- (6) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of a Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided
  - the composition of the index is sufficiently diversified,
  - the index represents an adequate benchmark for the market to which it refers,
  - it is published in an appropriate manner.

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

- (7) Where any Sub-Fund has invested in accordance with the principle of risk spreading in transferable securities or money market instruments issued or guaranteed by an EU member state, by its local authorities or by member states of the Organisation for Economic Co-Operation and Development, Singapore or any member state of the G20 or by public international bodies of which one or more EU member states are members, the Company may invest up to 100% of the Net Asset Value of any Sub-Fund in such securities provided that such Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Sub-Fund.

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

(D)

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

The limits set out in paragraph (D)(1) and (2) above shall not apply to:

- (3) transferable securities and money market instruments issued or guaranteed by an EU member state or its local authorities;
- (4) transferable securities and money market instruments issued or guaranteed by any other Eligible State;
- (5) transferable securities and money market instruments issued by public international bodies of which one or more EU member states are members; or
- (6) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Sub-Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.

(E) No Sub-Fund may invest more than 10% of its net assets in units of UCITS or other UCIs, unless otherwise specified in the Supplement of the Sub-Fund, and funds identified as Feeder UCITS as provided for in the investment objective and policy as set out in the Supplement of the Sub-Fund. In addition, except for funds identified as Feeder UCITS, the following limits shall apply:

- (1) If a Sub-Fund is allowed to invest more than 10% of its net assets in units of UCITS and/or UCIs, this Sub-Fund may not invest more than 20% of its net assets in units of a single UCITS or other UCI. Investments made in units of UCIs other than UCITS may not, in aggregate, exceed 30% of the net assets of a Sub-Fund.

- (2) When a Sub-Fund invests in the units of other UCITS and/or other UCIs linked to the Company by common management or control, or by a direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a management company linked to the Management Company, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs. In respect of a Sub-Fund's investments in UCITS and other UCIs linked to the Management Company as described in the preceding paragraph, there shall be no management fee charged to that portion of the assets of the relevant Sub-Fund. The Company will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.
  - (3) A Sub-Fund may acquire no more than 25% of the units or shares of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units or shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units or shares issued by the UCITS/UCI concerned, all sub-funds combined.
  - (4) The underlying investments held by the UCITS or other UCIs in which the Sub-Funds invest do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.
- (F) A Sub-Fund (the "**Investing Fund**") may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds (each, a "**Target Fund**") without the Company being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:
- (1) the Target Fund(s) do(es) not, in turn, invest in the Investing Fund invested in this (these) Target Fund(s); and
  - (2) no more than 10% of the assets that the Target Fund(s) whose acquisition is contemplated may be invested in units of other Target Funds; and
  - (3) voting rights, if any, attaching to the Shares of the Target Fund(s) are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
  - (4) in any event, for as long as these securities are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

## 2. Investment in Other Assets

- (A) The Company will not make investments in precious metals or commodities, nor certificates representing these. In addition, the Company will not enter into derivatives on precious metals or commodities. This does not prevent the Company from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or



commodities, or financial instruments whose performance is linked to precious metals or commodities.

- (B) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (C) The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in sections 1(A)(5), (7) and (8).
- (D) The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (E) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Sub-Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (F) The Company may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting.
- (G) The Company will on a Sub-Fund by Sub-Fund basis comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

### **3. Derivatives**

- 1. As specified in section 1(A)(7) above, the Company may in respect of each Sub-Fund invest in derivatives.
- 2. Each Sub-Fund may invest, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5), in derivatives provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(1) to (7).
- 3. When a Sub-Fund invests in index-based derivatives compliant with the provisions of sections 1(C)(1) to (7), these investments do not have to be combined with the limits laid down in section 1(C). The frequency of the review and rebalancing of the composition of the underlying index of such derivatives varies per index and could be daily (only technical adjustments), weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the relevant Sub-Fund.
- 4. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of these restrictions. Transferable securities or money market instruments backed by other assets are not deemed to embed a derivative.
- 5. The Sub-Funds may use derivatives for investment purposes and for hedging purposes, within the limits of the Regulations. Under no circumstances shall the use of these instruments and techniques cause a Sub-Fund to diverge from its investment policy or objective. The risks against

which the Sub-Funds could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

6. Further details on derivatives can be found in Appendix II.

#### **4. Agreements on OTC derivatives**

1. A Sub-Fund may enter into agreements on OTC derivatives. The counterparties to any OTC derivatives transactions, such as total return swaps, contracts for difference or other derivatives with similar characteristics, entered into by a Sub-Fund, are selected from a list of counterparties approved by the Management Company. The counterparties will be institutions which are either credit institutions with a registered office in an EU Member State or investment firm, which are authorised under the MiFID directive or an equivalent set of rules or are recognised financial institutions and subject to prudential supervision. The list of approved counterparties may be amended by the Management Company. The identity of the counterparties will be disclosed in the annual report of the Company.
2. Since the counterparties with which the Sub-Funds enter into total return swaps do not assume any discretion over the Sub-Fund's investments (including the reference assets, if any), no approval of the counterparties is required for any transactions relating to the investments of the Sub-Funds.

#### **5. Global exposure**

Where deemed appropriate, and subject to applicable laws and regulations, the Sub-Funds may employ leverage including, without limitation, by entering into derivatives transactions. The global exposure created through the use of Financial Derivative Instruments will be measured using a sophisticated risk measurement technique known as "value-at-risk" ("**VaR**") depending on the risk profile of the strategies pursued by each Sub-Fund.

VaR is the advanced risk measurement methodology used to assess a Sub-Fund's global exposure and market risk volatility and which quantifies the potential for losses to investors if adverse investment outcomes occur. VaR is used to quantify the potential losses that a Sub-Fund could suffer over a specified time period assuming a level of certainty (confidence level) of losses occurring. Where VaR is used to measure the potential risk faced by an investor in a Sub-Fund, the Investment Manager assesses the risk of each strategy and the combination of all strategies on a daily basis to ensure the VaR limit is not exceeded. VaR is a statistical methodology that predicts, using historical data, the likely maximum monthly loss that a Sub-Fund could suffer, calculated to a 99% confidence level. There is, therefore, a 1% statistical chance that the monthly VaR limit may be exceeded. The Sub-Fund may use an "absolute" VaR model where the measurement of VaR is relative to the Net Asset Value of the Sub-Fund or a "relative" VaR model where the measurement of VaR is relative to a comparable benchmark or equivalent derivatives free portfolio (in the case of the latter, such portfolio will be the underlying positions of the Sub-Fund's Financial Derivative Instruments instead of the Financial Derivative Instruments themselves).

Where an "absolute" VaR model is used, the monthly 99% VaR limit on any day may not exceed 20% of the Net Asset Value of the Fund (or such lower VaR limit as may be specified in the relevant Supplement). This means that, with 99% confidence, the Investment Manager expects the worst monthly loss (assuming 20 business days in the month) to be 20% (or such lower VaR limit as may be specified in the relevant Supplement) of the Net Asset Value of the Sub-Fund. The confidence level is based on historical observations of market movements. The historical observation period should not be less than 1 year, however a shorter observation period may be used if justified, for

example as a result of significant recent changes in price volatility. Where a "relative" VaR model is used, the monthly 99% VaR of the Sub-Fund may not exceed twice the monthly 99% VaR of the benchmark or equivalent derivatives free portfolio.

The use of VaR provides a meaningful measure of potential risk faced by an investor in a Sub-Fund. The use of VaR does not provide investors with complete certainty about the losses to which they may be exposed. The primary limitation with the use of VaR is that historical observations are used as the basis for calculating the probability of future losses occurring. That is, VaR assumes that future returns patterns will mirror past investment return patterns. As such, VaR should be considered as a guide in assessing the risk of losses from investing in a Sub-Fund, but should not be considered to be an accurate prediction of loss in such Sub-Fund. Investors should note the potential to lose all of their investment in the event that historical observations do not accurately measure potential risk in a Sub-Fund. The approach to the measurement of global exposure taken in respect of each Sub-Fund will be set out in the relevant Supplement.

As required under the Benchmark Regulation, the Company has put in place appropriate contingency arrangements setting out the actions which will be taken in the event that a benchmark which is used by a Sub-Fund which is subject to the Benchmarks Regulation materially changes or ceases to be provided.

## **6. Use of Techniques and Instruments relating to transferable securities and money market instruments**

1. Techniques and instruments (including, but not limited to, securities lending or repurchase and reverse repurchase agreements) relating to transferable securities and money market instruments may be used by each Sub-Fund for the purpose of efficient portfolio management and where this is in the best interest of the Sub-Fund and in line with its investment objective and investor profile.
2. A Sub-Fund may use such techniques and instruments for any purpose that is consistent with the investment objective of the relevant Sub-Fund, including to generate income or profits in order to increase portfolio returns, to reduce portfolio expenses or risks and to access certain markets or to construct an investment portfolio efficiently, subject to any specific limitations as set-out in the relevant Sub-Fund supplement, which shall prevail.
3. With respect to total return swaps, the counterparties will be first class institutions which are either credit institutions or investment firms, which are subject to prudential supervision considered by the CSSF as equivalent to those prescribed by community law. While there is no predetermined legal status or geographical criteria applied in the selection of the counterparties, these elements are typically taken into account in the selection process. The counterparties to such transactions will typically be organisations based in an OECD member state and will comply with Article 3 of SFTR. The counterparties will be selected from a list of authorized counterparties established by the Management Company, and whose short term and long term ratings so rated by Standard & Poor's or Moody's or Fitch Ratings must not be lower than BBB. The list of authorised counterparties may be amended with the consent of the Management Company. In case of total return swaps, the counterparty will not assume any discretion over the composition of the Sub-Fund's portfolio or over the underlying of the total return swap.

### **A) Securities Financing Transactions and Total Return Swaps**

A Sub-Fund may also enter into derivative transactions with counterparties, whereby one party to the transaction transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a "reference obligation" to the other party in

return for a payment at a fixed or floating rate. Such derivative transactions may take the form of a contract under which one counterparty transfers the total economic performance, including income from interests and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty (each a "total return swap"). The reference obligation of a total return swap may be any security or other investment in which the relevant Sub-Fund is permitted to invest or to which such Sub-Fund is permitted to gain exposure, either directly or indirectly via such a derivative transaction.

Such securities financing transactions and total return swaps may be entered into for any purpose that is consistent with the investment objective of the relevant Sub-Fund, including to generate income or profits in order to increase portfolio returns, to reduce portfolio expenses or risks and to access certain markets or to construct an investment portfolio efficiently.

Any profits and losses under securities financing transactions and total return swaps will be for the account of the relevant Sub-Fund. Such transactions and total return swaps may be subject to costs, including fees and spreads payable to third parties unaffiliated to the Investment Manager, and any such expenses will be borne by the relevant Sub-Fund. Information on the returns generated under such transactions shall be disclosed in the annual and semi-annual reports of the Company, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid.

Up to 100% of a Sub-Fund's gross assets may (where consistent with the relevant Sub-Fund's investment policies) be subject to any of these securities financing transactions and total return swaps unless otherwise disclosed in the relevant Supplement. The proportion of a Sub-Fund's assets subject to each type of securities financing transaction or total return swap will depend on market conditions and the value of the relevant investments. The proportion will be consistent with the portfolio construction of the relevant Sub-Fund and for some types of securities financing transactions and total return swaps may, at any given time, be as high as 100% of gross assets unless otherwise disclosed in the relevant Supplement.

The Company will report to the Shareholders of each Sub-Fund the amount of the assets of the relevant Sub-Fund, which are engaged in each type of securities financing transaction and total return swap, as well as other mandated information on the use of securities financing transactions and total return swaps, at least on an annual basis, or more frequently, to the extent required by law. References within this Prospectus to securities financing transactions or total return swaps which a Sub-Fund may enter into, also refer to securities financing transactions and total return swaps which indirectly a Sub-Fund may enter into.

The Investment Manager will manage the risks associated with these types of transactions, including the risks linked to collateral received or pledged in relation to such transactions, in accordance with its risk management policy. The Investment Manager will monitor each relevant type of risk, including, counterparty, market, operational, liquidity, custody, collateral reuse and legal risks against a range of pre-determined risk metrics.

As of the date of this Prospectus, no Sub-Fund enters into securities lending transactions, repurchase transactions or reverse repurchase transactions within the meaning of SFTR. Should a Sub-Fund intend to use them, the Prospectus will be updated in accordance with SFTR.

## **B) Collateral**

### **B.a) Use of Collateral**

The Management Company will employ a collateral management policy for and on behalf of each Sub-

Fund in respect of collateral received in respect of OTC financial derivative transactions whether used for investment or for efficient portfolio management purposes.

Any non-cash collateral received by the Company for and on behalf of a Sub-Fund on a title transfer basis shall be held by the Depository. For other types of collateral arrangements, the collateral may be held with a third party custodian which is subject to prudential supervision and which is unrelated to the collateral provider. Particulars of the collateral management policy are set out below.

#### **B.b) Collateral Policy**

A Sub-Fund may accept as collateral in relation to securities financing transactions (if any) or total return swaps and other OTC financial derivative transactions, cash in any currency, cash equivalents, equity or debt securities and any other kind of security or other instrument in which such Fund is permitted to invest in order to reduce its counterparty risk exposure.

Any non-cash collateral received by a Fund from SFT Counterparties ("SFT Collateral") on a title transfer basis shall be held by the Depository or a sub-custodian. For other types of collateral arrangements, the collateral may be held with a third party custodian which is unrelated to the collateral provider. The Company does not currently receive non-cash collateral in respect of over the counter derivative instruments or any other efficient portfolio management techniques.

In the event that a Sub-Fund enters into securities financing transactions, the collateral received by or on behalf of a Sub-Fund pursuant to a stock lending programme shall normally comprise of securities issued or guaranteed by certain member states of the OECD or by their public or local authorities or by their supranational institutions and organizations and equities. Collateral in the form of cash will not generally be received for these purposes.

The SFT Collateral will be valued in accordance with the valuation policies and principles applicable to the relevant Sub-Fund. SFT Collateral in the form of securities will be subject to daily mark to market valuation and, where appropriate, variation margin requirements.

The level of collateral required to be posted by a counterparty may vary by counterparty and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared OTC derivatives which fall within the scope of EMIR, the level of collateral will be determined taking into account the requirements of EMIR.

The Investment Manager will monitor collateral received, on an ongoing basis, taking into consideration the level of correlation, diversity and liquidity and the level of haircut applied, if any as well as availability, valuation and issuer credit quality. Cash collateral received by a Sub-Fund may be reinvested.

In case of re-investment of cash collateral, the assets acquired will be subject to the same risks than in case of direct investment.

Cash collateral shall only be:

- placed on deposit with entities prescribed in Article 41 (1) (f) of the 2010 Law;
- invested in high quality government bonds used for the purpose of reverse repurchase transactions (if any) provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on accrued basis;

- invested in short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds dated 19 May 2010.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

No Sub-Fund currently re-uses any non-cash collateral it receives.

The aggregate market value of the collateral provided pursuant to the stock lending programme shall never be less than the minimum percentage required by the CSSF.

The haircut policy applied to posted collateral will be negotiated on a counterparty basis and taking into account its credit standing and price volatility, any stress testing carried out to assess the liquidity risk of such asset and, where applicable taking into account the requirements of EMIR, will vary depending on the class of asset received from the borrowers but will generally range from 102% (where the loaned securities and collateral are denominated in the same currency and are government bonds) to 110% (for all other loaned securities).

Where a Sub-Fund receives collateral for at least 30% of its net assets, the Investment Manager will employ an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Investment Manager to assess the liquidity risk attached to the collateral. The liquidity stress testing policy shall be disclosed in the risk management process employed by the Investment Manager.

The Company does not currently engage in any such stock-lending or receive any non-cash collateral.

Collateral received will be capable of being fully enforced by the Company at any time without reference to or approval from the relevant counterparty.

### **B.c) Posting of collateral by a Sub-Fund**

Collateral provided by a Sub-Fund to a counterparty shall be agreed with the relevant counterparty and may comprise of cash or any types of assets held by the relevant Sub-Fund in accordance with its investment objective and policies and shall, where applicable, comply with the requirements of EMIR. Collateral may be transferred by a Sub-Fund to a counterparty on a title transfer basis where the assets are passed outside of the custody network and are no longer held by the Depositary or its sub-depositary. In such circumstances, subject to the requirements of SFTR, the counterparty to the transaction may use those assets in its absolute discretion. Where collateral is posted by a Sub-Fund to a counterparty under a security collateral arrangement where title to the relevant securities remains with the Sub-Fund, such collateral must be safe-kept by the Depositary or its sub-depositary, however, subject to the requirements of SFTR, such assets may be subject to a right of re-use by the counterparty.

## APPENDIX 2: Financial Derivative Instruments and Efficient Portfolio Management

### 1. Financial Derivative Instruments

The Financial Derivative Instruments which the Investment Manager may use on behalf of the Company and the expected effect of investment in such Financial Derivative Instruments on the risk profile of the Company are set out below. In addition, the attention of investors is drawn to the risks described in Appendix 3.

Where considered appropriate, the Company may invest in Financial Derivatives Instruments and/or utilise techniques and instruments for investment purposes, for efficient portfolio management (as described in further detail below) to gain currency exposure and/or to protect against foreign exchange risks, subject to the conditions and within the limits laid down by applicable laws and regulations.

The Investment Manager will employ an internal risk management process pursuant to which it will seek to accurately measure, monitor and manage the risks attached to Financial Derivative Instruments.

The Company will typically use these instruments and/or techniques as described below and under the "Investment Policy" section in the relevant Supplement.

#### 1.1 **Over-the-counter swaps including contracts for differences and basket/portfolio swaps**

Swap agreements are two-party contracts for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular pre-determined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount", i.e., the return on or increase in value of a particular currency amount invested at a particular interest rate, in particular, foreign currency, or in a "basket" of securities representing a particular index.

A Sub-Fund may invest in the following types of swaps:

*Variance and Volatility Swaps:* Variance and volatility swaps are over-the-counter financial derivatives that enable one to hedge risk and/or efficiently manage exposure associated with the magnitude of a movement as measured by the volatility or variance of some underlying product like an exchange rate, interest rate or stock rate and may be used in circumstances where, for example, the Investment Manager is of the view that realised volatility on a specific asset is likely to be different from what the market is currently pricing.

*Interest rate swaps.* An interest rate swap is an agreement negotiated between two parties to exchange LIBOR and/or other similarly recognised interest rate cash flows, calculated on a notional amount, at specified dates during the life of the swap. The use of interest rate swaps allows the interest rate sensitivity of the Sub-Fund to be changed faster and more cheaply than through the use of physical cash markets and more precisely than through exchange traded derivative markets. They may also be used to express views on the direction of interest rate movements.

*Credit default swaps:* A credit default swap (CDS) is a financial swap agreement that the seller of the CDS will compensate the buyer in the event of a loan default or other credit event. The buyer of the CDS makes a series of payments (the CDS "fee" or "spread") to the seller and, in exchange, receives a payoff if the loan defaults. These contracts allow a Sub-Fund to manage its exposures to certain securities or securities indexes.

*Index Swaps:* Index swaps allow the Sub-Fund to achieve exposure to indices on a synthetic basis.

The Investment Manager may enter into index swap contracts to limit or eliminate its exposure to a particular market sector while gaining exposure to another sector by exchanging the performance of what it believes is an overvalued or non-performing sector for that of an undervalued or performing sector, which will generally involve swapping the performance of two relevant market indices. The Investment Manager may also enter into "mid-cap" index swap contracts, which are swap contracts where the underlying is an index comprising companies of medium sized market capitalisation. "Mid-cap" index swaps will be used to hedge market risks associated with long or synthetic short positions in individual equity securities.

*Custom Index Swaps:* Index swaps allow the Sub-Fund to achieve exposure to custom indices or "baskets" of equities on a synthetic basis.

*Inflation Swaps:* An inflation swap operates in a similar way to an interest rate swap except that it is an agreement negotiated between two parties to exchange payments at a fixed or floating rate in return for payments based on realised inflation over the relevant period. Inflation swaps allow the inflation sensitivity profile of a Sub-Fund to be changed faster and more cheaply than through the use of physical cash markets. They may also be used to express views on the future level of inflation.

*Currency Swaps:* A currency swap is an agreement between two or more parties to exchange sequences of cash flows over a period in the future. The cash flows that the counterparties make are tied to the value of foreign currencies including, but not limited to Sterling, US Dollar, Euro and Yen. Currency Swaps may be used as an alternative to spot and forward foreign exchange contracts. Currency swaps allow the Investment Manager to take positive and negative views on the direction of currency movements and hedge currency risk.

*Asset Swaps:* An asset swap is an agreement negotiated between two parties to exchange the cash flows resulting from a purchased asset, typically government bonds, for a return in excess of LIBOR or other similarly recognised interest rate cash flows, calculated and paid at specified dates during the life of the swap or at the maturity of the swap.

*Equity Swaps and Contracts For Difference:* Equity swaps and contracts for differences ("CFDs") are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument's value at the end of the contract. Such contracts are typically traded under the International Swaps and Derivatives Association's master agreements. The underlying instrument may be a single security, stock basket or index. An equity CFD is a derivative instrument designed to replicate the economic performance and the cash flows of a conventional share investment. The Sub-Funds may use equity swaps including CFDs (also known as synthetic swaps) to secure a profit or avoid a loss to the Sub-Fund by reference to fluctuations in the value or price of equities or financial instruments or in an index of such equities or financial instruments. CFDs may be used either as a substitute for direct investment in the underlying equity security or as an alternative to and for the same purposes as futures and options, particularly in cases where there is no futures contract available in relation to a specific security, or where an index option or index future represents an inefficient method of gaining exposure because of pricing risk or the risk of delta or beta mismatches. Where the Investment Manager wishes to take short positions in equities, it will only do so synthetically and primarily through the use of basket and portfolio swaps, single stock contracts for difference and equity index forward contracts. For long exposures to equities, the Investment Manager will utilise equity derivatives where it considers that such instruments are the most appropriate or cost-effective means of accessing the relevant underlying



equities. The Sub-Funds will take long and short positions over a variety of time periods, however the combination of long and short positions will never result in uncovered short positions.

## **1.2. Equity Index futures/forwards and options**

### *1.2.1. Futures*

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The purchase or sale of a futures contract differs from the purchase or sale of the underlying security or option in that no price or premium is paid or received. Instead, an amount of cash or other liquid assets generally must be deposited with the broker. This amount is known as initial margin. Subsequent payments to and from the broker, known as variation margin, are made on a daily basis as the price of the underlying futures currency contract fluctuates making the long and short positions in the futures contract more or less valuable, a process known as "marking to market." In most cases futures contracts are closed out before the settlement date without the making or taking of delivery. Closing out a futures contract sale is effected by purchasing a futures contract for the same aggregate amount of the relevant currency and the same delivery date. If the price of the initial sale of the futures contract exceeds the price of the offsetting purchase, the seller is paid the difference and realizes a gain. Conversely, if the price of the offsetting purchase exceeds the price of the initial sale, the seller realizes a loss. Similarly, the closing out of a futures contract purchase is effected by the purchaser entering into a futures contract sale. If the offsetting sale price exceeds the purchase price, the purchaser realises a gain, and if the purchase price exceeds the offsetting sale price, a loss will be realised. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Frequently using futures to achieve a particular strategy rather than the underlying or related security or index, or index sector or basket of debt securities often results in lower transaction costs.

The Sub-Fund may invest in the following types of futures:

*Index Futures:* The Investment Manager may enter into index futures, including those on commodity indices, to reflect its views on the direction of particular markets whether on an outright directional view or on a relative basis. The Investment Manager may use index futures to hedge market risk associated with long or synthetic short positions in individual equity securities.

*Single Equity Futures:* The Investment Manager may enter into single equity futures to either offset equity exposures or increase exposures efficiently and cheaply.

*Currency Futures:* Currency futures allow the Investment Manager to take positive and negative views on the direction of currency movements and hedge currency risk. A currency future is an agreement to buy or sell a currency pair on a specific date. Currency futures differ from currency forwards (see below) in that they are traded on eligible markets thereby reducing counterparty risk.

*Dividend Futures:* Dividend futures allow the Investment Manager to take positions on future dividend payments on a single company, a basket of companies or on an equity index.

*Interest Rate Futures (including Short Term Interest Rate Futures):* Interest rate futures (including short term interest rate futures) may be used to express the Investment Manager's view that the yield curve will move in a particular way. The Investment Manager may use these instruments to mitigate the interest rate exposure of fixed rate bonds.

*Bond Futures:* Bond futures allow the Investment Manager to take positive or negative views on the direction of bond prices and seek to reduce the interest rate exposure of fixed rate bonds.

*Volatility Index Futures:* A Sub-Fund may go long or short volatility index futures to express views about the expected outcome of the underlying volatility of markets.

*Property Index Futures:* Property index futures allow a Sub-Fund's exposure to property to be increased or decreased quickly and cheaply.

*Commodity Index Futures:* Commodity index futures allow a Sub-Fund's exposure to commodity indices to be increased or decreased.

*Money Market Futures:* Money market futures allow a Sub-Fund to provide a cost effective and efficient alternative to a deposit with a specific credit institution.

### 1.2.2. Options

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) to the contract, a specific quantity of a particular product or financial instrument at a specified price or premium. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price or discount. Options may also be cash settled. The Sub-Fund may be a seller or buyer of put and call options. The Sub-Fund may purchase or sell these instruments either individually or in combinations. For example, purchasing a call option would allow the Sub-Fund to benefit from any upside in the performance, while limiting its overall exposure to the original premium paid by the Sub-Fund. Options may also be used to take a positional view on the volatility of certain bonds. For example, a combination of buying put and call options could be used to implement a "long straddle" position, a strategy that will make money if the underlying asset falls materially or rises materially over a pre-determined period, but will lose money if the value of the underlying asset stays close to its original value.

The Sub-Fund may invest in the following types of options:

*Currency Options (including Barrier Options):* Currency options allow the Investment Manager to take views on the direction of currency movements and hedge currency risk. Barrier options require the striking of one or more price barriers for the option to be created or destroyed.

*Equity Options (single name, index, sector, custom basket):* Equity Options may be used to express views as to the direction of single name equities, an equity index or a custom basket of equities.

*Index Options:* The Sub-Fund may enter into options to seek exposure to certain indices, including commodity indices. This would allow the Sub-Fund to benefit from any upside in the performance of the index while limiting its overall exposure to the premium paid by the Sub-Fund.

*Options on Credit Default Swaps:* Protection in option format may be purchased to offset the risk of spread widening on a portfolio of Credit Default Swap (CDS) holdings. They can also be used in a similar way to other CDS instruments, e.g. if the Investment Manager believes that a particular credit or index will go up or down it may buy a call or put option on it.

*Dividend Options:* Dividend options allow the Investment Manager to take positions on future dividend payments.

*Options on interest rate futures:* Options on interest rate futures and may be used to express similar views as described for interest rate futures or alternatively to express the Investment Manager's view on interest rate volatility.

*Bond Options:* Bond options may be used to express similar positional views as would be the case as buying or selling the underlying bond or alternatively to express the Investment Manager's view on the bond's volatility.

*Options on Dividend Futures:* Options on dividend futures may be used to express similar positional views as described for dividend futures or to express the Investment Manager's view on the volatility of dividends.

*Options on Currency Futures:* Options on currency futures allow a Sub-Fund to increase or reduce exposure to a specific currency. Such an option involves the right to buy or sell a currency future at a specified strike price during a specified time which protects against exchange risk.

*Options on Equity Futures:* Options on equity futures allow a Sub-Fund to gain or reduce exposure to a market, asset class or sector without having to purchase or sell securities directly.

*Swaptions:* A swaption is an option giving the purchaser the option of the right but not the obligation to enter into an interest rate swap agreement.

### 1.2.3. Forwards

A forward contract locks-in the price at which an index or asset may be purchased or sold on a future date. In currency contracts the contract holders are obliged to buy or sell the currency at a specified price at a specified quantity and on a specified future date. Currency forward settlement can be on a cash (non-deliverable) or a delivery basis provided it has been specified beforehand.

Forward foreign exchange contracts may be used to hedge, at the discretion of the Investment Manager, any currency exposure back to the base currency. They may also be used to change the currency composition of all or part of the Sub-Fund without necessarily hedging back to the Base Currency of the Sub-Fund.

The Sub-Funds may employ forward currency exchange contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract. The Sub-Funds may acquire and sell currency options, the value of which depend largely upon the likelihood of favourable price movements in the underlying currency in relation to the exercise (or strike) price during the life of the option. The Sub-Funds may enter into these contracts to gain currency exposure or to hedge against changes in currency exchange rates. The Sub-Funds may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

These hedges may be entered into to hedge the exposure of the denominated currency of a Class of Shares (for example, US\$ denominated shares) against the Base Currency of the relevant Sub-Fund (for example, Euro). Further detail on this type of hedging is found under the heading "Section 3: Share Dealing".

These hedges may also be used to hedge the exposure of a Sub-Fund to assets which are denominated in currencies other than the Sub-Fund's Base Currency. Unless otherwise stated in the relevant Supplement, the Investment Manager will generally seek to hedge the currency exposure of a Sub-Fund to currencies other than its Base Currency and it is anticipated that the currency exposure of a

Sub-Fund will be predominantly hedged at all times. Nonetheless, prospective investors should be aware that the Investment Manager may take currency positions for a Sub-Fund where it considers this appropriate.

There may be occasions when the Investment Manager uses a future/forward or option to gain long or short exposure to a market without purchasing the relevant securities. An equity index future/forward or option will generally perform in a similar manner to the relevant index. Examples of such occasions would be:

- If a significant cash in-flow was received and a future could be used to gain exposure to the market immediately allowing the Investment Manager to invest into securities over time;
- If the Investment Manager wanted to gain exposure to a particular market, but felt that the amount to be invested would not give an adequate spread or would be too expensive.

## **2. Rights**

Rights generally refers to a right to take up an offer made by a company to its existing shareholders to subscribe for new shares in the company, the subscription price often being at a discount to the traded price of the existing shares. If not taken up within the time limit for the offer, the offer will normally lapse without any value, creating a similar economic effect to the issue of an option with a zero premium.

## **3. Warrants**

A warrant gives the holder the right to subscribe to a specified amount of the issuing corporation's capital stock or bonds at a set price for a specified period of time. The Sub-Fund may purchase warrants to provide a mechanism for taking position in securities without the need to purchase and hold the security.

## **4. Exchange Traded Notes ("ETNs")**

ETNs are structured debt instruments with returns linked to the performance of security or an Index minus fees. As such they are subject to both Credit Risk and Market Risk. Price movements of ETNs are influenced by, among other things, the performance of the security or Index, the credit worthiness of the issuer, interest rates, and changing supply and demand relationships.

ETNs may embed derivatives and or leverage.

## **5. Efficient Portfolio Management**

The following instruments may be used in relation to the Company for the purposes of hedging or risk reduction or management and/or performance enhancement such as reduction of cost and/or generation of additional capital or income for the Company, with an appropriate level of risk, taking into account the risk profile of the Company and the general provisions of the UCITS Directive. The Company's ability to use these instruments may be limited by market conditions, regulatory limits and tax considerations and these instruments may be used only in accordance with the investment objectives of the Company. The attention of investors is drawn to the risks described under Appendix 3 "Certain Risk Factors" of this Prospectus.

## **6. When Issued/Delayed Delivery Securities**

The Company may purchase or sell securities on a when-issued or delayed-delivery basis for the purposes of efficient portfolio management. In this instance payment for and delivery of securities takes place in the future at a stated price in order to secure what is considered to be an advantageous price and yield to the Company at the time of entering into the transaction. Securities are considered "delayed delivery" securities when traded in the secondary market, or "when-issued" securities if they are an initial issuance of securities. Delayed delivery securities (which will not begin to accrue interest until the settlement date) and when-issued securities will be recorded as assets of the Company and will be subject to risks of market value fluctuations. The purchase price of delayed delivery and when-issued securities will be recorded as a liability of the Company until settlement date and when issued or delivered as the case may be such securities will be taken into account when calculating the limits set out in Appendix 1 under the heading Investment Restrictions.

## **7. Use of Collateral**

The collateral policy is detailed in Appendix 1.

The policy for posting collateral is detailed in Appendix 1.

## **8. Securities Financing Transactions and Total Return Swaps**

Details on securities financing transactions and total return swaps are set out in Appendix 1.

### **APPENDIX 3: CERTAIN 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 Sub-Fund. Different risks may apply to different Sub-Funds. Details of Sub-Fund specific risks in relation to a particular Sub-Fund which are additional to those described in this section will be disclosed in the relevant Supplement. 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:

#### **1. General Risks**

Investors should be aware that there are risks inherent in the holding of securities:-

- (A) There is no assurance that any appreciation in the value of investments will occur, or that the investment objectives of any Sub-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.
- (B) The tax treatment of the Sub-Funds can change and such changes cannot be foreseen.
- (C) 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.
- (D) The difference at any one time between subscription and redemption prices for Shares means that an investment in any Sub-Fund should be viewed as a medium to long term investment. An investment should only be made by those persons who are able to sustain a loss on their investment and/or are unlikely to need to redeem all or part of their investment in the short term.

#### **1.1 Amortisation of Organisational Costs**

The Company's financial statements will be prepared in accordance with IFRS. IFRS restricts the amortisation of organisational costs. Notwithstanding this, the Directors may amortise the costs and expenses of establishing a Sub-Fund over a period of time.

#### **1.2 Effect of Subscription Fee**

Where an initial charge is imposed, an investor who realises his Shares after a short period may not, even in the event of a rise in the value of the relevant investments, realise the amount originally invested.

The Shares therefore should be viewed as medium to long-term investments.

#### **1.3. Limited Operating History**

The Company has a limited operating history upon which prospective investors can evaluate the likely performance of the Company. The past investment performance of the Investment Manager or any of its affiliates, or entities with which it has been associated, may not be construed as an indication of

the future results of an investment in the Company. The Sub-Funds' investment approaches should be evaluated on the basis that there can be no assurance that the assessment of the investment of the short-term or long-term prospects of investments will prove accurate or that the Sub-Funds will achieve their investment objective.

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

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of exchanging) may be suspended (see "4.3 Suspension of Valuation of Assets").

#### **1.5 Brexit**

On 29 March 2017, the United Kingdom triggered the procedures to withdraw from the European Union after the two year period settlement negotiation as prescribed in Article 50 of the Treaty of Lisbon. Following this notification and a period of exit negotiations the United Kingdom left the European Union on 31 January 2020 and entered into a transition period that is presently expected to end on 31 December 2020. The ongoing withdrawal process and exit from the European Union could cause an extended period of uncertainty and market volatility, not just in the United Kingdom but throughout the EU, the EEA and globally. The Principal Investment Manager and the Investment Manager are currently subject to provisions of certain European directives and regulations which have either been incorporated into UK law or have direct effect in the UK. The longer term impact of the decision to leave the EU on the UK regulatory framework will depend, in part, on the relationship that the UK will seek to establish with the EU in the future. In particular, it is uncertain whether and how UK laws that incorporate EU directives may be modified in the future and whether UK firms (such as the Principal Investment Manager and the Investment Manager) will continue to have the benefit of certain rights to conduct cross border business within the EU. It is not possible to ascertain the precise impact the United Kingdom's departure from the EU may have on the Company, the Principal Investment Manager or the Investment Manager from an economic, financial or regulatory perspective but any such impact could have material consequences for the Company the Principal Investment Manager and/or the Investment Manager.

#### **1.6 GDPR**

The GDPR has direct effect in all EU member states from 25 May 2018 and replaces previous EU data privacy laws. Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set out in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Company. Further there is a risk that the measures will not be implemented correctly by the Company or its service providers. If there are breaches of these measures by the Company or any of its service providers, the Company could face significant administrative fines and/or be required to compensate any data subject who has suffered material or

non-material damage as a result as well as suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

## **1.7 LIBOR**

It is expected that the London Interbank Offered Rate ("**LIBOR**"), will not be published after the year 2021. In anticipation, the United States and other countries are currently working to replace LIBOR with alternative reference rates. The expected discontinuation of LIBOR will impact financial contracts to which a Sub-Fund is a party that refer to LIBOR. Generally, the transition to alternative reference rates may (i) cause the value of a reference rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including the relevant Sub-Fund and its counterparties. With respect to financial contracts to which a Sub-Fund is a party, including corporate and municipal bonds and loans, bank loans, floating rate debt, certain asset-backed securities, and interest rate swaps and other derivatives, any such contract that has a maturity that extends beyond 2021 and uses LIBOR as a reference rate (other than contracts that include curative fallback language or other curative mechanisms) may need to be renegotiated, the process of which will consume resources of a Sub-Fund and may result in disputes among counterparties, the result of which may be adverse to a Sub-Fund. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which a Sub-Fund is a party may adversely affect the performance of a Sub-Fund.

## **1.8 Segregation of Liabilities between Sub-Funds**

The assets of each Sub-Fund are ring-fenced. As a matter of Luxembourg law, the assets of each Sub-Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on behalf of or be subject to claims in other jurisdictions which may not necessarily recognise such ring-fencing and, in such circumstances, the assets of one Sub-Fund may be exposed to the liabilities of another.

Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to or from the Administrator (e.g., a paying agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator for the account of the Company and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

## **1.9 Depositary Insolvency**

The Company is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("**Insolvency**") of the Depositary. These risks include without limitation: the loss of all cash held with the Depositary which is not being treated as client money or protected by the rules of a regulatory authority ("**client money**"); the loss of all cash which the Depositary has failed to treat as client money in accordance with procedures (if any) agreed with the Company; the loss of any securities held on trust ("**trust assets**") or client money held by or with the Depositary in connection with a reduction to pay for administrative costs of the Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money or for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depositary; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets. The Company is



subject to similar risks in the event of Insolvency of any sub-custodian with which any relevant securities are held or of any third party bank with which client money is held. An Insolvency could cause severe disruption to the trading of a Sub-Fund.

### **1.10 Sub-Custodians and Other Depositories**

Where securities are held with a sub-custodian appointed by the Depositary or by a central securities depository 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. 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.

### **1.11 Delegation**

The Company relies on delegates to perform portfolio management, administration and distribution for the Company.

The loss of the services of the Management Company, Principal Investment Manager or the loss of services of the Investment Manager or certain of its key staff could have an adverse impact on the Sub-Fund. In addition, the services of the Management Company, Principal Investment Manager and the Investment Manager are not exclusive and each of these entities will have multiple demands on their time.

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

The global financial markets are currently undergoing pervasive and fundamental disruptions which have led to 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.

In the EU, the Bank Recovery and Resolution Directive (Directive 2014/59/EU) provides tools to national authorities within EU member states to so intervene in relation to European credit institutions and certain investment firms. Such intervention may result in a delay in a Sub-Fund's ability to recover its debt, in a write-down or amounts due to a Sub-Fund from such institutions being converted into equity. The full consequences of such intervention are unknown.

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 Investment Manager's ability to fulfil a Sub-Fund's investment objective. However, the Management Company believes that there is a high likelihood of significantly increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of a Sub-Fund's portfolio.

### **1.13 Tax Risk**

Any change in the taxation legislation in Luxembourg, or elsewhere, could affect (i) the Company or any Sub-Fund's ability to achieve its investment objective, (ii) the value of the Company or any Sub-Fund's investments or (iii) the ability to pay returns to Shareholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Shareholders should note that the statements on taxation which are set out herein and in this Prospectus are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

If, as a result of the status of a Shareholder, the Company or a Sub-Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon, the Company or the Sub-Fund shall be entitled to deduct such amount from any payment(s) made to such Shareholder, and/or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares for the purposes of obtaining sufficient monies to discharge any such liability. The relevant Shareholder shall indemnify and keep the Company or the Sub-Fund indemnified against any loss arising to the Company or the Sub-Fund by reason of the Company or the Sub-Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Shareholders and prospective investors' attention is drawn to the taxation risks associated with investing in any Sub-Fund. Please refer to the section headed "10. Taxation".

### **1.14 Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments**

A non-US investor in a Sub-Fund will generally be required to provide to the Company such Fund information which identifies its direct and indirect US ownership, and, in certain cases, information regarding its investments in other "foreign financial institutions" within the meaning of Section 1471(d)(4) of the IRC. Under the Luxembourg IGA, any such information provided to a Sub-Fund will be shared with the Luxembourg Revenue authorities. The Luxembourg Revenue authorities will exchange the information reported to them with the US Internal Revenue Service ("Service") annually on an automatic basis. A non-US investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the IRC will also generally be required to timely register with the Service and agree to identify, and report information with respect to, certain of its own direct and indirect US account holders (including debtholders and equityholders). A non-US investor who fails to provide such information in respect of a Sub-Fund in which such investor is invested, or timely register and agree to identify or report information with respect to such account holders, may be subject to the thirty per cent (30%) withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of such Sub-Fund, and the Directors may take any action in relation to an investor's Shares or redemption proceeds (including, without limitation, the compulsory redemption of Shares), to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Shareholders should consult their own tax advisers regarding the possible implications of these rules on the investments in a Sub-Fund.

### **1.15 Common Reporting Standard**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard to address the issue of offshore tax evasion on a global basis.

Additionally, on 9 December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("DAC2").

The Common Reporting Standard and DAC2 (collectively referred to herein as "CRS") provide a common standard for due diligence, reporting and exchange of financial account information. Pursuant to CRS, participating jurisdictions and EU Member States will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures with the first information exchanges having begun in 2017. Luxembourg has legislated for CRS and as a result the Company is required to comply with the CRS due diligence and reporting requirements, as adopted by Luxembourg. Shareholders may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Shares in the relevant Sub-Fund.

Shareholders and prospective investors should consult their own tax advisor with regard to with respect to their own certification requirements associated with an investment in the Company.

#### **1.16 Uncertain Indian tax regime**

To the extent that a Sub-Fund's investments are subject to the Indian tax regime, a Sub-Fund's performance will be affected by any applicable taxes, including capital gains tax, that are applied to the Sub-Fund's underlying investments.

There is a risk that such taxes may increase in future, causing an adverse impact on the Sub-Fund's performance. By way of example, capital gains on the sale of Indian securities are subject to tax in India at varying rates depending on the residence of the person making the disposal. The applicable tax rate depends on a variety of factors including holding periods and the tax rate may be reduced or eliminated by the application of an applicable tax treaty where available. To the extent that the Sub-Fund's exposure is gained via swap, the Sub-Fund will bear the tax costs applicable to the relevant swap counterparty. The Indian tax authorities have recently taken steps that are likely to reduce the availability of tax treaty benefits to certain swap counterparties and the Indian tax authorities may take additional steps that will further reduce such tax treaty benefits and have the effect of increasing the capital gains tax payable by swap counterparties and their affiliates when they sell the Indian equities that they might use to hedge the Sub-Fund's swap exposure. The consequences of such government action is that the Sub-Fund in future may indirectly be subject to higher rates of tax on its underlying investments and such higher rates will adversely affect the Sub-Fund's performance.

#### **1.17 Use of Systems**

The Investment Manager may make extensive use of computer systems and software. The Investment Manager may use its own proprietary quantitative models as well as systems which are publicly available or provided by third parties. Accordingly, the Sub-Funds are exposed to the risk that computer hardware, software and other services used by the Investment Manager may cease to be available, for example due to the insolvency of the provider. In such circumstances, the Investment Manager would seek to obtain equivalent hardware, software and services from an alternative supplier.

### **1.18 System Failure**

As the Investment Manager makes extensive use of computer hardware, systems and software, the Sub-Funds are exposed to risks caused by failures of IT infrastructure and data. In addition, outright failure of the underlying hardware, operating system, software or network, may leave a Sub-Fund unable to trade either generally or in certain of its strategies, and this may expose it to risk should the outage coincide with turbulent market conditions. To ameliorate this risk, backup and disaster recovery plans have been put in place by the Investment Manager. Nevertheless, the Investment Manager may have to liquidate all the assets of a Sub-Fund as the only safe way to proceed should a crippling system outage occur.

### **1.19 Operational Risk**

The Sub-Funds depend on the Investment Manager to develop appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of a Sub-Fund's operations. The Sub-Funds' business is dynamic and complex. As a result, certain operational risks are intrinsic to each Sub-Fund's operations, especially given the volume, diversity and complexity of transactions that each Sub-Fund is expected to enter into. The Sub-Funds' business is highly dependent on the ability to process, on a daily basis, transactions across numerous and diverse markets. Consequently, the Sub-Funds rely heavily on financial, accounting and other data processing systems as well as electronic execution systems (and may rely on new systems and technology in the future). The ability of such systems to accommodate an increasing volume, diversity and complexity of transactions could also constrain the ability of the Investment Manager to properly manage the Sub-Funds. Systemic failures in the systems employed by the Investment Manager, the Sub-Funds, the Administrator and/or counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. These and other similar disruptions may cause the Sub-Funds to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage.

### **1.20 Operation of Subscriptions/Redemptions Cash Accounts**

The Company has established subscriptions / redemptions cash accounts designated in different currencies at Sub-Fund level in the name of the Company in respect of each relevant Sub-Fund, through which subscription monies and redemption proceeds and dividend income (if any) for the relevant Sub-Fund are channelled (together the "Subscriptions/Redemptions Cash Accounts").

Certain risks associated with the operation of the Subscriptions/Redemptions Cash Accounts include:

(a) Pending payment to the relevant Shareholder, distribution payments will be held in an account in the name of the Company in respect of the relevant Sub-Fund and will be treated as an asset of the Sub-Fund until paid to that Shareholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Sub-Fund with respect to the distribution amount held by the Company until paid to the Shareholder and the Shareholder entitled to such distribution amount will be an unsecured creditor of the Sub-Fund.

(b) Where subscription monies are held in a cash account in the name of the Company in respect of the relevant Sub-Fund in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received, the investor will be an unsecured creditor of the relevant Sub-

Fund with respect to the amount subscribed and held by the Company until such Shares are issued as of the relevant Dealing Day.

(c) Where redemption monies payable to an investor subsequent to a Dealing Day will be held in a cash account in the name of the Company in respect of the relevant Sub-Fund, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the redemption amount held by the Company until paid to the investor.

In each of (a), (b) and (c) above, in the event that such monies are lost prior to the issue of Shares or payment of the distribution or redemption monies to the relevant investor, the Company on behalf of the Sub-Fund may be obliged to make good any losses which the Sub-Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Sub-Fund), in which case such loss will need to be discharged out of the assets of the relevant Sub-Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Sub-Fund. In the event of an insolvency of a Sub-Fund or the Company, there is no guarantee that the Sub-Fund or the Company will have sufficient funds to pay unsecured creditors in full.

## **1. Specific Risks**

### **2.1 Equity Securities**

The Sub-Funds may invest in equity securities and equity derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, a Sub-Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Sub-Fund has not hedged against such a general move. A Sub-Fund also may be exposed to risks that issuers will not fulfil contractual obligations.

Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, geographic markets, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by a Sub-Fund.

### **2.2 Contingent Convertible Bonds**

A contingent convertible bond is a debt instrument which may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. The terms of the bond set out specific trigger events and conversion rates. Trigger events may be outside of the issuer's control. A common trigger event is the decrease in the issuer's capital ratio below a given threshold. Conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

Any investments in contingent convertible bonds may also entail the following risks (non-exhaustive list):

*Coupon cancellation:* for some contingent convertible bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

*Yield:* investors have been drawn to the instruments as a result of the contingent convertible bond's often attractive yield which may be viewed as a complexity premium.

*Valuation and write-down risks:* the value of contingent convertible bonds may need to be reduced due to a higher risk of overvaluation of such asset class on the relevant eligible markets. Therefore, a Sub-Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment.

*Call extension risk:* some contingent convertible bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

*Capital structure inversion risk:* contrary to classical capital hierarchy, contingent convertible bonds' investors may suffer a loss of capital when equity holders do not.

*Conversion risk:* it might be difficult to assess how the securities will behave upon conversion. In case of conversion into equity, it may be necessary to sell these new equity shares since the investment policy of the relevant Sub-Fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.

*Industry concentration risk:* investment in contingent convertible bonds may lead to an increased industry concentration risk as such securities are issued by a limited number of banks.

*Trigger level risk:* trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult to anticipate the triggering events that would require the debt to convert into equity.

*Liquidity risk:* in certain circumstances finding a ready buyer for contingent convertible bonds may be difficult and the seller may have to accept a significant discount to the expected value of the contingent convertible bond in order to sell it.

## **2.3 Structured financial products**

Structured financial instruments are often backed by or represent interests in various underlying investments. The cash flow on the underlying investments may be apportioned among the newly issued structured financial instruments to create securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions, and the extent of the payments made with respect to structured investments depends on the amount of the cash flow on the underlying investments. Structured financial instruments may embed leverage and so investments in structured financial instruments may be exposed to higher volatility as direct investments.

## **2.4 Convertible Securities**

The convertible securities in which the Sub-Funds may invest consist of bonds, notes, debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares of common stock. Convertible securities may offer higher income than the common stocks into which they are convertible. A Sub-Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying common stock, or sell it to a third party.

The convertible securities in which the Sub-Funds may invest may embed derivatives and/or leverage.

A Sub-Fund with convertible securities may not be able to control whether the issuer of a convertible security chooses to convert that security. If the issuer chooses to do so, this action could have an adverse effect on a Sub-Fund's ability to achieve its investment objective because the issuer may force conversion before the Sub-Fund would otherwise choose. While some countries or companies may be

regarded as favourable investments, pure fixed income opportunities may be unattractive or limited due to insufficient supply, or legal or technical restrictions. In such cases, a Sub-Fund may consider convertible securities or equity securities to gain exposure to such investments.

## **2.5 Debt Securities**

The Sub-Funds may invest in debt securities which may be unrated by a recognised credit-rating agency or below investment grade and which may be subject to greater risk of loss of principal and interest than higher-rated debt securities. The Sub-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 Sub-Funds may invest in debt securities that do not include financial covenants or limitations on additional issuer indebtedness. Investments in debt securities are generally subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty, partly 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 debt securities.

## **2.6 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 Sub-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.

## **2.7 Currency Exposure**

The currency denomination of Shares may differ from the Base Currency of each of the Sub-Funds. Unless otherwise stated in the relevant Supplement, the Investment Manager will generally seek to hedge out currency exposure at Sub-Fund level by entering into forward foreign exchange transactions. Certain of the assets held by the Depositary on behalf of the Sub-Funds may also be invested in securities and other investments which are denominated in currencies other than the Base Currency of a Sub-Fund. Unless otherwise stated in the relevant Supplement, the Investment Manager will generally seek to hedge the currency exposure of a Sub-Fund to currencies other than its Base Currency and it is anticipated that the currency exposure of a Sub-Fund will be predominantly hedged at all times. Nonetheless, prospective investors should be aware that the Investment Manager may take currency positions for a Sub-Fund where it considers this appropriate.

Notwithstanding the foregoing, and noting that foreign exchange hedging techniques may not be completely effective, where the currency exposure of the Sub-Fund is not fully hedged or where the Investment Manager operates a policy of not hedging the currency exposure of a Sub-Fund to currencies other than its Base Currency (as stated in the relevant Supplement), the value of the assets of the Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates. To the extent that any hedging policy is successful, performance of the 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 Class currency falls against the Base Currency of the Sub-Fund. Furthermore, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Euro, Yen, the US Dollar and Sterling and such other currencies. Performance of a Sub-Fund may be strongly influenced by movements in foreign

exchange rates because currency positions held by a Sub-Fund may not correspond with the securities positions held.

## **2.8 Currency Options and Futures Trading**

The Sub-Funds may buy and sell foreign currency options and / or foreign currency futures and may engage in foreign currency transactions either on a spot or forward basis to reduce the risks of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another. The Sub-Funds may acquire and sell currency options, the value of which depend largely upon the likelihood of favourable 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). Also, such transactions may not be successful and may eliminate any chance for a Sub-Fund to benefit from favourable fluctuations in relevant foreign currencies. A Sub-Fund may use one (1) currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

## **2.9 Hedging Transactions**

A Sub-Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. While a Sub-Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Sub-Fund than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that may not be hedged.

## **2.10 Derivatives and Securities Financing Transactions**

The Sub-Funds may utilise both exchange-traded and over-the-counter derivatives, as listed in Appendices 1 and 2 to the Prospectus, and as disclosed in the Sub-Fund's investment policy, as part of their investment policies. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits commonly to establish a position in such instruments 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 that is high in proportion to the amount of funds actually placed as initial margin and may result in losses exceeding any margin deposited, and such losses may be unlimited. Both exchange-traded and over-the-counter derivatives positions may suffer from market illiquidity. In addition, with regard to exchange-traded derivatives, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk resulting from such matters as mis-matches of contractual terms between apparently off-setting transactions, from the absence of a ready market on which to close out an open position, and from the difficulties of valuation and monitoring of risk exposure due to the fragmented and relatively opaque nature of over-the-counter markets. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Risk may be increased by contractual asymmetries and inefficiencies including break clauses such as net asset value decline provisions, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value of the Sub-Fund. Incorrect collateral calls or delays in collateral recovery also present risk.



Derivatives, in particular derivatives which are negotiated "over-the-counter" are subject to legal risks including the uncertainty in the applicability of laws, or the interpretation or enforceability of contracts or an action by a court or regulatory body that could invalidate a derivative contract entered into by the Company.

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.

### **2.11 Off-Exchange Transactions in Derivatives**

The Company and each Sub-Fund will be subject to the risk of the inability of any counterparty to perform their financial and other obligations, including with respect to transactions, whether due to such counterparty's own insolvency or that of others, or for other reasons, which may include market illiquidity or disruption or other causes and whether resulting from systemic or other causes.

While some off-exchange holdings are highly liquid, transactions in off-exchange or "non transferable" derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

### **2.12 Futures Contracts**

The value of futures depends upon the price of the financial instruments, underlying them, for example equities in the case of futures on an equity index. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which a Sub-Fund's positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Sub-Fund from promptly liquidating unfavourable positions and subject the Company and the Sub-Fund to substantial losses or prevent it from entering into desired trades. In extraordinary circumstances, a futures exchange or regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

### **2.13 Counterparty Risk**

The Sub-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 Sub-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 could expose a Sub-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, and such failure may cause such Sub-Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where there is greater opportunity for events to intervene to prevent performance of obligations, or where a Sub-Fund has concentrated its transactions with a small group of counterparties. Moreover, although the Sub-Funds shall only transact with eligible counterparties, the Investment Manager does not have a formal credit function, which evaluates the creditworthiness of a Sub-Fund's counterparties. The ability of a Sub-Fund to transact business with any one or a number of counterparties, the lack of any separate evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Sub-Funds.

#### **2.14 Short Selling**

Typically, UCITS, such as the Company, invest on a "long only" basis. This means that their net asset value will rise (or fall) in value based on the market value of the assets they hold. A "short" sale involves the sale of a security that the seller does not own in the hope of purchasing the same security (or a security exchangeable for such security) at a later date at a lower price. To make a delivery to the buyer, the seller must borrow the security and is obligated to return the security (or a security exchangeable for such security) to the lender, which is accomplished by a later purchase of said security. Although the Company is not permitted to enter into short sales under the Regulations, a Sub-Fund may, by employing certain derivative techniques (such as contracts for difference) designed to produce the same economic effect as a short sale (a "synthetic short"), establish both "long" and "short" positions in individual stocks and markets. As a result, as well as holding assets that may rise or fall with markets, a Sub-Fund may also hold positions that will rise as the market value falls, and fall as the market value rises. Taking synthetic short positions involves trading on margin and accordingly can involve greater risk than investments based on a long position.

#### **2.15 Options**

The seller (writer) of an option has the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. The buyer of an option has the right (but not the obligation) to exercise the option, thereby making or taking delivery of the underlying asset of the contract at a future date, or in some cases settling the position with cash. Options carry a high degree of risk. Options are described in further detail in Appendix 2.

#### **2.16 Forward Trading**

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or other securities they trade or which they indirectly gain exposure to, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors.

## **2.17 Contracts for Differences**

A Sub-Fund may invest in a CFD whose underlying instrument may be a single security, stock basket or index. Such contracts are typically traded under the International Swaps and Derivatives Association's master agreements. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller may both be required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. A CFD is usually terminated at the buyer's initiative, but the seller may have a right in certain circumstances to terminate the CFD and may also have a right to restrict termination by the buyer and/or delay payment of profits and losses from the CFD. As is the case with owning any financial instrument, there is the risk of loss associated with buying a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the buyer to post additional margin. CFDs also carry counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honour its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract, and of the Shares of the relevant Sub-Fund, may be reduced. The counterparty may also withhold payments in connection with tax, foreign exchange disruption and other issues and may seek to claw-back retrospectively tax and other liabilities incurred by it or its affiliates in hedging the CFD.

## **2.18 CFDs and Swaps, including Total Return Swaps and Credit Default Swaps**

The risks inherent in CFDs and equity swaps are dependent on the position that a Sub-Fund may take in the transaction: by utilising CFDs and equity swaps, a Sub-Fund may put itself in a "long" position on the underlying value, in which case the Sub-Fund will profit from any increase in the underlying stock, and suffer from any fall. The risks inherent in a "long" position are identical to the risks inherent in the purchase of the underlying stock. Conversely, a Sub-Fund may put itself in a "short" position on the underlying stock, in which case the Sub-Fund will profit from any decrease in the underlying stock, and suffer from any increase. The risks inherent in a "short" position are greater than those of a "long" position: while there is a ceiling to a maximum loss in a "long" position if the underlying stock is valued at zero, the maximum loss of a "short" position is that of the increase in the underlying stock, an increase that, in theory, is unlimited. It should be noted that a "long" or "short" CFD or equity swap position is based on the Investment Manager's opinion of the future direction of the underlying security. The position could have a negative impact on the Sub-Fund's performance. However, there is an additional risk related to the counterparty when CFDs and equity swaps are utilised: the Sub-Fund runs the risk that the counterparty will not be in a position to make a payment to which it has committed. The Investment Manager will ensure that the counterparties involved in this type of transaction are carefully selected and that the counterparty risk is limited and strictly controlled.

Whether a Sub-Fund's use of swap agreements and options on swap agreements will be successful will depend on the Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. Because they are two-party contracts and because they may have terms of greater than seven (7) days, swap agreements may be considered to be illiquid investments. Moreover, a Sub-Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The swaps market is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect a Sub-Fund's ability to terminate existing swap agreements or to realise amounts to be received under such agreements. Swaps used by the Sub-Funds will be consistent with the investment policy of the relevant Sub-Fund as set out in the Supplement.

Transactions in over-the-counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

## **2.19 Swap Agreements and Synthetic Assets**

A Sub-Fund, subject to terms of its investment policy, may acquire exposure to indices, debt securities, structured finance securities and other types of assets synthetically through derivative products such as credit default swaps (including CDS and CDX contracts), total return swaps, credit linked notes, structured notes, trust certificates and other derivative instruments (each, a "Synthetic Asset").

A Synthetic Asset could take many forms, including a credit derivative transaction that references a structured finance security, debt security, a credit derivative transaction that references a portfolio or index of corporate reference entities or a portfolio or index of reference obligations consisting of structured finance securities, total return swap transaction that references both income and any capital gains of an underlying asset, debt securities, bonds, or other financial instruments (each, a "Reference Obligation").

Exposure to such Reference Obligations through Synthetic Assets presents risks in addition to those resulting from direct purchases of the assets referenced. A Sub-Fund will have a contractual relationship only with the Synthetic Asset counterparty, and not with the issuer(s) (the "Reference Entity") of the Reference Obligations unless a credit event occurs with respect to any such Reference Obligation, physical settlement applies and the Synthetic Asset counterparty delivers the Reference Obligation to such Sub-Fund. Other than in the event of such delivery, the relevant Sub-Fund generally will have no right directly to enforce compliance by the Reference Entity with the terms of any such Reference Obligation and such Sub-Fund will not have any rights of set-off against the Reference Entity. In addition, the relevant Sub-Fund generally will not have any voting or other consensual rights of ownership with respect to the Reference Obligation. The relevant Sub-Fund also will not directly benefit from any collateral supporting the Reference Obligation and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation. The relevant Sub-Fund will be subject to the credit risk of the Synthetic Asset counterparty, as well as that of the Reference Entity, as well as the documentation risk associated with these instruments.

In the event of the insolvency of the Synthetic Asset counterparty, the relevant Sub-Fund will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the Reference Obligation. Consequently, such Sub-Fund will be subject to the credit risk of the Synthetic Asset counterparty, as well as that of the Reference Entity. As a result, concentrations of Synthetic Assets entered into with any one Synthetic Asset counterparty will subject such Synthetic Assets to an additional degree of risk with respect to defaults by such Synthetic Asset counterparty as well as by the respective Reference Entities.

While it is expected that returns on a Synthetic Asset may reflect those of each related Reference Obligation, as a result of the terms of the Synthetic Asset and the assumption of the credit risk of the Synthetic Asset counterparty, a Synthetic Asset may have a different expected return, a different (and potentially greater) probability of default and different expected loss and recovery characteristics following a default.

## **2.20 Risks Associated with Collateral Management**

Where a Sub-Fund enters into an OTC derivative contract or a securities financing transaction, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Sub-Fund posts to a counterparty or a broker that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such assets. Therefore in the event of the insolvency

of a counterparty or a broker, the Sub-Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker. In addition, notwithstanding that a Sub-Fund may only accept non-cash collateral which is highly liquid, the Sub-Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The Sub-Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Where cash collateral received by a Sub-Fund is re-invested in accordance with the conditions foreseen in this Prospectus, a Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement or where the Company on behalf of a Sub-Fund grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the Company on behalf of a Sub-Fund will only have an unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Sub-Fund shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency of any counterparty would result in a loss to the relevant Sub-Fund, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Company or its delegates will not have any visibility or control.

Because the passing of collateral is effected through the use of standard contracts, a Sub-Fund may be exposed to legal risks such as the contract may not accurately reflect the intentions of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

## **2.21 Lending of Portfolio Securities**

A Sub-Fund may lend securities on a collateralised basis and cash on a collateralised and an uncollateralised basis, from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the relevant Sub-Fund will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

## **2.22 Commodity-Related Instruments**

A Sub-Fund may make investments, as listed in Appendix 2, linked to commodities. The performance of a commodity, and consequently investments linked to such commodity, is dependent upon various factors, including (without limitation) supply and demand, liquidity, weather conditions and natural disasters, direct investment costs, location, changes in tax rates and changes in laws, regulations and the activities of governmental or regulatory bodies. Commodity prices tend to be more volatile than most other asset categories, making investments in commodities more risky and more complex than other investments.

The production and marketing of commodities may be affected by actions and changes in governments. In addition, commodity-related instruments may be cyclical in nature. During periods of economic or financial instability, commodity-related instruments may be subject to broad price fluctuations, reflecting volatility of energy and basic material prices and possible instability of supply of various commodities. Commodity-related instruments may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such instruments

may rise at a faster rate; and conversely, in times of falling commodity prices, such instruments may suffer a greater price decline.

A Sub-Fund may seek to gain exposure indirectly to the commodity markets by investing in swap agreements on a commodities index, and may also invest in other derivatives giving exposure to commodities indices (for instance options on commodity indices). The value of a commodity-linked derivative investment generally is based upon the price movements of a physical commodity (such as energy, mineral or agricultural products), a commodities index futures contract or commodity index, or other economic variable based upon changes in the value of commodities or the commodity markets.

The risk of loss in trading commodities can be substantial. If a Sub-Fund purchases a commodities index option, it may sustain a total loss of the premium and of all transaction costs. If a Sub-Fund purchases or sells a commodities index futures contract or sells a commodity index option, it may sustain a total loss of the initial margin funds and any additional funds that it deposits with its broker to establish or maintain its position. If the market moves against its position, the Sub-Fund may be called upon by its broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain its position. If it does not provide the requested funds within the prescribed time, its position may be liquidated at a loss, and it will be liable for any resulting deficit in its account.

### **2.23 Distressed Securities**

Distressed securities are those issued by companies which are being reorganised, liquidated or undergoing other difficult circumstances. The value of investments in distressed securities can vary significantly as it is dependent on future circumstances of the issuer, which are unknown when the investment is made. It might be difficult to find a ready buyer for distressed securities, in which case the seller might be obliged to accept a significant discount to the expected value of the securities in order to make a sale. These factors will affect the value of the Sub-Fund. Exchange Traded Notes ("ETNs")

ETNs are structured debt instruments with returns linked to the performance of an index minus fees. As such they are subject to both credit risk and market risk. Price movements of ETNs are influenced by, among other things, the performance of the relevant index, the credit worthiness of the issuer, interest rates, and changing supply and demand relationships.

Although listed on an exchange, a trading market for any series of ETNs may not exist at any time and there are restrictions on the size and date of redemptions. ETNs can be traded on a secondary market but there is no guarantee that liquidity can meet the needs of a Sub-Fund.

### **2.24 Exchange Traded Funds**

The Sub-Funds may invest in Exchange Traded Funds ("ETFs"), which are shares of publicly traded unit investment trusts, open-ended funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risks as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. In addition, the Sub-Funds may bear, along with other shareholders of an ETF, its pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing its share of the Sub-Funds' expenses (e.g., management fee and operating expenses),

investors may also indirectly bear similar expenses of an ETF, which can have a material adverse effect on the return on capital of the Sub-Funds.

## **2.25 Stabilised Investments**

The Investment Manager may effect transactions in investments the prices of which may be the subject of stabilisation. Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities related to it.

Stabilisation may be permitted under the applicable rules in order to help counter the fact that, when a new issue comes on the market for the first time, the price can sometimes drop for a time before buyers are found. Stabilisation is typically being carried out by a "stabilisation manager" (typically, the firm chiefly responsible for bringing a new issue to the market). As long as the stabilising manager follows a strict set of rules, the stabilising manager is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

## **2.26 Developing Markets**

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

Investment in developing market securities typically involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, investments in developing market securities may carry additional risks arising from, among other things, inferior publicly available information, more volatile markets, less strict securities market regulation, less favourable or less certain tax or legal regimes, and a greater likelihood of severe inflation, currency instability, possible constraints on convertibility or transferability of currency, war, and the possibility of expropriation of personal property. In addition, the investment opportunities of a Sub-Fund in certain developing markets may be restricted by legal limits on foreign investment.

Developing markets may not be as efficient as developed markets. In some cases, a market for the security may not exist locally, and transactions may need to be made on a neighbouring exchange. Volume and liquidity levels in developing markets are generally 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, and this might increase 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, sub-custodians are not 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 a Sub-Fund 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, other income or gross sale or disposition proceeds, limitations on the removal of funds or other assets of a Sub-Fund, political changes, government regulation, social instability or diplomatic developments (including war), which could affect adversely the economies of such countries or the value of a Sub-Fund's 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.

Tax laws and regulations in some jurisdictions may not be clear and taxes may be applied retrospectively. Where a Sub-Fund invests or trades in developing markets (and to a lesser extent, developed markets) there is a risk that a Sub-Fund (or its swap counterparty or its affiliate where exposure is on swap) may be charged with unexpected taxes arising from its trading activity. Such taxes may become apparent only after the chargeable trades or investments have been closed out. In some instances, the taxes may become apparent a long time after the relevant trading activity has ceased. Where the exposure is on swap, the swap counterparty may have a right to be indemnified by the Sub-Fund with respect to the taxes that it or its affiliate suffers. Whether the securities were held directly or the exposure was on swap, the Sub-Fund may suffer tax liabilities which will be borne by investors in such Sub-Fund as at the time that the tax liabilities are crystallised as opposed to at the time that the trade or investment was made.

## **2.27 Sovereign Default Risk**

In developed economies, it is generally anticipated that conventional sovereign debt will be paid as due, barring unexpected developments and there has been a perception that sovereign emerging market debt securities have a much greater risk of default. Several factors may affect (i) the ability of a government, its agencies, instrumentalities or its central bank to make payments on its sovereign debt, including securities that the Investment Manager believes are likely to be included in restructurings of the external debt obligations of the issuer in question, (ii) the market value of such debt and (iii) the inclusion of sovereign debt in future restructurings, including such issuer's (x) balance of trade and access to international financing, (y) cost of servicing such obligations, which may be affected by changes in international interest rates, and (z) level of international currency reserves, which may affect the amount of non-US exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their sovereign debt. Economic disruptions in such countries could lead to increased volatility in equity and other markets and a sovereign default could lead to substantial losses in value in these markets, potentially compounded by currency and foreign exchange conversion restrictions. In the event that such disruption leads to the exit of one or more countries from the Euro there may be additional difficulties in analysing and valuing holdings in such economy as a result of the change in reference currency. The full effects of one or more countries exiting the Eurozone or the Euro ceasing to exist in its current form is at this stage impossible to predict with any certainty. Such events could lead to a material, if not complete, loss of a Fund's investment in that economy. European sovereign debt risk and pressure on bond and currency markets have been a drag on financial markets and are a risk to recovery in those markets.



## **2.28 Short-Term Market Considerations**

The Investment Manager's investment decisions may be made on the basis of short-term market considerations. Therefore, the portfolio turnover rate could result in significant trading-related expenses.

## **2.29 Effect of Substantial Redemptions**

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

## **2.30 Forward Foreign Exchange Contracts**

A forward foreign exchange contract is a 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 size, or as to the time at which a currency is to be delivered, and such contracts are not usually traded on exchanges. Forward foreign exchange contracts are generally effected through the inter-dealer market. It is not a market with a specific location but rather a network of participants electronically linked. Documentation of transactions generally consists of an exchange of telex or facsimile messages, or other electronic communications. 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 normally guaranteed by an exchange or clearing house. The Sub-Funds are subject to the risk of the inability or refusal of its counterparties to perform with respect to such contracts. Any such default could eliminate any profit potential and compel the Sub-Funds to cover their commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.

## **2.31 Information Rights**

Upon request by a Shareholder, the Investment Manager may provide a Shareholder with information about a Sub-Fund. This information may not be systematically provided to all other Shareholders in a Sub-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 (e.g., redeem their Shares) that other Shareholders may not systematically receive.

## **2.32 Dependence on Investment Manager and Key Personnel**

The success of each Sub-Fund is significantly dependent upon the ability of the Investment Manager to develop and effectively implement a Sub-Fund's investment objective and upon the expertise of certain key personnel within the Investment Manager. If a Sub-Fund were to lose the services of the Investment Manager, or if the Investment Manager were to lose its key personnel, such Sub-Fund would be adversely affected.

The Investment Manager's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate its key personnel is important to the success of a Sub-Fund. There can be

no assurance that the Investment Manager's key personnel will continue to be associated with the Investment Manager throughout the life of a Sub-Fund, and the failure to attract or retain such investment professionals could have a material adverse effect on such Sub-Fund and its investors, including, for example, by limiting the Investment Manager's ability to pursue particular investment strategies. Competition in the financial services industry for qualified employees is intense and there is no guarantee that the talents of the Investment Manager's key personnel could be replaced.

Furthermore, some of the contractual arrangements in place with certain counterparties may provide the relevant counterparties with rights of termination, and with certain of its investors that entitle them to redemption without penalty, if certain key employees and officers of the Investment Manager cease to have responsibility for managing a Sub-Fund's investments or similar provisions. The assertion of such rights to terminate contracts could result in a Sub-Fund's contractual positions being closed out on unsatisfactory terms and in a fewer number of potential counterparties in the future. The assertion of such rights may have a material adverse impact on the business and/or financial condition of a Sub-Fund. There can be no assurance that the Investment Manager would be able to mitigate the effects of the loss of any such key individual.

### **2.33 Legal Risk**

The Sub-Funds may be subject to a number of unusual or unexpected 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 Sub-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 Sub-Funds and their operations.

### **2.34 Net Asset Value Considerations**

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Sub-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 or a Sub-Fund. In addition, where there is any conflict between IFRS and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value, the latter principles take precedence.

In calculating a Sub-Fund's Net Asset Value, the Administrator may consult the Investment Manager 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 Sub-Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Sub-Funds, the Investment Manager will endeavour to resolve any such conflict of interest fairly and in the interest of investors.

### **2.35 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.

### **2.36 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 position, or general economic or other events that adversely affect particular strategies (e.g., the disruption of historical pricing relationships). The strategies employed by the Sub-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 Sub-Funds may be adversely affected.

### **2.37 Tax Considerations**

Interest, dividends, capital gains or other income realised, or gross sales or disposition proceeds received, by the Sub-Funds may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. It is impossible to predict the rate of such tax the Sub-Funds will pay since the amount of the assets to be invested in various countries and the ability of the Sub-Funds to reduce such taxes are not known.

### **2.38 Transaction Costs**

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

### **2.39 Derivative Transactions and Global Regulation**

The Investment Manager may enter into OTC and exchange-traded derivative contracts on behalf of a Sub-Fund. Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 ("EMIR"), as amended by Regulation (EU) No 2019/834 of the European Parliament and of the Council dated 20 May 2019 ("EMIR Refit"), established certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk-management procedures and reporting requirements.

The implications of EMIR and EMIR Refit for the Sub-Funds include, without limitation, the following:

1. clearing obligation: certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
2. risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Sub-Funds will be required to put in place risk mitigation requirements, which include the collateralisation of certain OTC derivatives. These risk mitigation requirements may increase the cost of the relevant Sub-Fund pursuing its investment strategy (or hedging risks arising from its investment strategy); and
3. trade reporting: each of the Sub-Funds' derivative transactions must be reported to a trade depository in the EEA (or a trade repository which has been granted equivalence by the appropriate European authorities) or to ESMA by the Management Company (in the case of OTC derivative transactions) or by the Sub-Fund (in the case of exchange-traded derivatives). The obligation may be delegated by the Management Company and the Sub-Fund

(respectively) to counterparties or third parties. This reporting obligation may increase the costs to the Sub-Funds of utilising OTC derivatives.

The Investment Manager will monitor the position and react appropriately. Prospective investors and Shareholders should be aware that the regulatory requirements under EMIR add costs to the legal, compliance and operational obligations of the Investment Manager and the Management Company and need to be taken into account by the Investment Manager in implementing its investment approach and achieving its investment objective. In addition, failures by the Sub-Fund or the Management Company to comply with any of the obligations under EMIR may result in sanctions from the CSSF (which may include fines).

#### **2.40 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 or clearing house or its members. 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.

#### **2.41 Profit Sharing**

In addition to receiving an investment management fee as set out in the Supplement, the Investment Manager may also receive a Performance Fee based on the appreciation in the Net Asset Value per Share and accordingly the Performance Fee 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 may create an incentive for the Investment Manager to make investments for a Sub-Fund, which are riskier than would be the case in the absence of a fee based on the performance of a Sub-Fund.

#### **2.42 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 a Sub-Fund in any of the exceptional circumstances as described under "4.3 Suspension of Valuation of Assets".

#### **2.43 Undervalued/Overvalued Securities**

One of the key objectives of a Sub-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 Sub-Funds may not adequately compensate for the business and financial risks assumed.

The Sub-Funds may make certain speculative investments in securities which the Investment Manager believes to be misvalued; however, there can be no assurance that the securities purchased and sold will in fact be misvalued. In addition, the Sub-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 Sub-Funds may be committed to the securities, thus possibly preventing the Sub-Funds from investing in other opportunities.

## **2.44 Volatility**

Futures prices are highly volatile. Such prices are influenced by, amongst other things: government trade, fiscal, monetary and exchange control programmes and policies; national and international political and economic events; and changes in interest rates. In addition, governments from time to time intervene, directly and by regulation, in the foreign exchange markets with the specific intention of influencing exchange rates. The effect of such intervention is often heightened by a group of governments acting in concert. The other investments in which the Sub-Funds may invest, principally debt securities, will be subject to their own fluctuations in value as a result of, amongst other things, market, interest rate and currency movements. The Sub-Funds may be exposed to adverse changes in their Net Asset Values as a result of these factors.

## **2.45 Availability of Investment Strategies**

The success of the investment activities of the Sub-Funds will depend on the Investment Manager'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 Sub-Funds involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Sub-Funds' assets or to exploit discrepancies in the securities and derivatives markets. A reduction in market liquidity (including money market liquidity) or the pricing inefficiency of the markets in which the Sub-Funds seek to invest, as well as other market factors, will reduce the scope for the implementation of the Sub-Funds' investment strategies.

The Sub-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.

## **2.46 Russia: Political and Social Risks**

Since 1985, Russia has been undergoing a substantial political transformation from a centrally controlled command economy under communist rule to a pluralist market-oriented democracy. A significant number of changes were undertaken during these years but there is still no assurance that the political and economic reforms necessary to complete such a transformation will continue or will be successful.

Russia is a federation composed of republics, regions, areas, cities of federal importance, autonomous districts and one autonomous region. The delineation of authority among the constituent entities of the Russian Federation and federal governmental authorities is subject to change from time to time. This process exists alongside the structure of Presidential representatives in the regions. The lack of consensus between local and regional authorities and the federal governmental authorities often result in the enactment of conflicting legislation at various levels, and may result in political instability and legal uncertainty. It may lead to negative economic effects on a Sub-Fund, which could have a material adverse effect on its business, financial conditions or ability to fulfil its investment objective.

In addition, ethnic, religious, and other social divisions periodically give rise to tensions and, in certain cases armed conflicts. In Chechnya, Russian armed forces have conducted anti-terrorist operations for a number of years, and some of them still remain there to keep law and order. Any escalation of violence may entail grave political consequences, which may adversely impact the investment climate in the Russian Federation.

## **2.47 Russia: Economic Risks**

Simultaneously with the enactment of political reforms, the Russian Government has been attempting to implement policies of economic reform and stabilisation. These policies have involved liberalising prices, reducing defence expenditures and subsidies, privatising state-owned enterprises, reforming the tax and bankruptcy systems and introducing legal structures designed to facilitate private, market-based activities, foreign trade and investment.

The Russian economy has been subject to abrupt downturns. The events and aftermath of 17 August 1998 (the date of the Russian government's default on its short-term Ruble denominated treasury bills and other Ruble-denominated securities, the abandonment by the Central Bank of Russia of its efforts to maintain the Ruble/US dollar rate within the Ruble currency band and the temporary moratorium on certain hard-currency payments to foreign counterparties) led to a severe devaluation of the Ruble, a sharp increase in the rate of inflation, a significant decrease in the credibility of the country's banking system with Western financial institutions, significant defaults on hard currency obligations, a significant decline in the prices of Russian debt and equity securities and an inability to raise funds on international capital markets. While the condition of the Russian economy has improved in a number of respects since 1998, there can be no assurance that this improvement will continue or that it will not be reversed.

The Ruble is not convertible outside Russia. A market exists within Russia for the conversion of Rubles into other currencies, but it is limited in size and is subject to rules limiting the purposes for which conversion may be effected. There can be no assurance that such a market will continue indefinitely.

## **2.48 Russia Legal Risks**

Risks associated with the Russian legal system include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, Presidential decrees and Government and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards.

There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder's name on the Share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy.

Rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders.

## 2.49 China-Related Risks

*China's Economic, Political, and Social Conditions, and Government Policies.* Subject to the investment objective and policies applicable to a particular Sub-Fund, many of the investments of such Sub-Fund may be located in or exposed to markets in the People's Republic of China ("China").

The economy of China differs from the economies of most developed countries in many respects, including government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. The economy of China has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the Chinese government has implemented measures emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the Chinese government. In addition, the Chinese government continues to play a significant role in regulating industry development. It also exercises significant control over China's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. The Investment Manager has no control over potential state policies and decisions and may be unable to anticipate such policies and decisions which could adversely affect the value of a Sub-Fund, including significant loss of capital.

In addition, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on income, limitations on the removal of funds or other assets of a relevant Sub-Fund, political or social instability or diplomatic developments that could adversely affect investments in China.

Recent growth in industrial production and gross domestic product has made many developing countries, particularly China, disproportionately large users of commodities and has increased the extent to which commodity prices are dependent on the markets of such countries.

The regulatory and legal framework for capital markets and companies in China may not be as well developed as those of developed countries. In addition, China's disclosure and regulatory standards are in many respects less stringent than and/or may deviate significantly from standards in many developed countries. There may be less publicly available information about Chinese companies than is regularly published by or about companies based in developed countries and such information as is available may be less reliable than that published by or about companies in developed countries. Chinese companies are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in developed countries. As a result, the lower levels of disclosure and transparency of certain material information may impact on the value of investments made by a relevant Sub-Fund and may lead to such Sub-Fund or its service providers coming to an inaccurate conclusion about the value of its investments.

Investors should also be aware that changes in China's taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of a Sub-Fund. Laws governing taxation will continue to change and may contain conflicts and ambiguities and be subject to retroactive review. In addition, a Sub-Fund's operations and financial results could be adversely affected by adjustments in China's state plans, political, economic and social conditions, changes in the policies of the Chinese government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. Furthermore, a portion of the economic activity in the China is

export-driven and, therefore, is affected by developments in the economies of China's principal trading partners.

*Government Intervention and suspensions of trading.* In 2015 the Chinese authorities took a significant series of steps to intervene directly and indirectly in China A Shares. Such government intervention had a material impact on market liquidity and in the prices of individual stocks and of China A Shares as a whole. There is a perception amongst some market participants that the Chinese government will continue to intervene in the markets, actively. In 2015 government intervention included imposing restrictions on certain shareholders selling China A Shares and a crackdown on "malicious" short sellers. Whether as a result of government intervention or otherwise, a large number of China A-listed companies also suspended trading, sometimes for lengthy periods of time. Such government intervention and any restrictions on selling shares could reduce market confidence and liquidity and increase market volatility. Such interventions and restrictions are by nature unpredictable and may have a direct negative impact on a Sub-Fund to the extent that a Sub-Fund may be restricted or prevented from valuing or exiting from exposure to shares which have been suspended or from which government intervention prevents shareholders from selling shares.

*Suspension of trading of Chinese securities as a cause for suspension of determination of Net Asset Value of a Fund.* In recent years large numbers of Chinese stocks have been suspended from trading, sometimes for long periods and often without initially providing any explanation as to why the suspension has been effected. In circumstances where a Sub-Fund holds significant Chinese positions, such suspension events may make it difficult accurately to value the Sub-Fund's portfolio and in such circumstances the Directors may consider suspending the determination of the Net Asset Value of the Sub-Fund. Shares may not be redeemed during any such suspension event, as more fully-described under "4.3 Suspension of Valuation of Assets" on page 46.

*Limited access to Chinese equities.* Investors should be aware that investment in China A Shares may only be available to a Sub-Fund via the following means: 1. via OTC derivatives entered into with OTC swap counterparties who have (or whose affiliates have) obtained Qualified Foreign Institutional investor ("QFII") status in China; and 2. via OTC derivatives entered into with OTC swap counterparties who have (or whose affiliates have) access to China A shares via the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Hong Kong Stock Connect program ("Stock Connect"). A Sub-Fund may not have any other access to China A Shares. Access on swap via QFII allocations and via Stock Connect each carries significant risks to a Sub-Fund, as further detailed below, in addition to all the risks detailed in the Risk Factors relating to OTC swap contracts including CFDs.

## **2.50 Trading Based on Technical Analysis**

The investment policy of a particular Sub-Fund may base trading decisions on mathematical analyses of technical factors relating to market performance rather than fundamental analysis.

The buy and sell signals are generated by various statistical models which are derived from a study of actual daily, weekly and monthly price fluctuations, volume variations and changes in open interest in the markets. The profitability of such models depends upon the occurrence in the future of significant, sustained statistical price or correlation behaviour in some of the markets traded. A danger for such statistical trading strategies is the breakdown of certain statistical stabilities across markets. In the past, there have been prolonged periods with such statistical breakdown. It is expected that these periods could continue to occur. Periods without such statistical significance across financial markets may produce substantial losses for the Sub-Funds.



### **2.51 Model Risk**

The investment policy of a particular Sub-Fund may employ a number of quantitative fundamental or technical models that involve assumptions based upon a limited number of variables abstracted from complex financial markets or instruments which they attempt to replicate. Any one or all of these assumptions, whether or not supported by past experience, could prove over time to be incorrect. The outputs of models may differ substantially from the reality of the markets, resulting in major losses.

### **2.52 Computer-generated Allocation**

The investment policy of a particular Sub-Fund may be based upon a computer-generated systemic trading strategy of the Investment Manager that provides exposure to investments based on complex statistical research. The operation of the investment policy is therefore dependent on the effective operation of the technology used by the Investment Manager to employ the models upon which the investment policy is based. Certain unforeseen events may result in the failure of the effective operation of the technology used by Investment Manager to operate the Investment Policy. Any such failure may have an adverse effect on the operation of the investment strategy and/or the Net Asset Value of the Sub-Fund.

### **2.53 Model and Data Risk**

The Investment Manager relies heavily on quantitative models (proprietary models developed by the Investment Manager, collectively "Models") and information and data both developed by the Investment Manager and those supplied by third parties (collectively, "Data") rather than granting trade-by-trade discretion to the Investment Manager's investment professionals. Models and Data are used to construct sets of transactions and investments, to value investments or potential investments (including, without limitation, for trading purposes and for purposes of determining the Net Asset Value of the Company), to provide risk management insights and to assist in hedging a Sub-Fund's investments. Models and Data are known to have errors, omissions, imperfections and malfunctions (collectively, "System Events"). System Events in third-party Models are generally entirely outside of the control of the Investment Manager. The Investment Manager seeks to reduce the incidence and impact of System Events through a certain degree of internal testing and real-time monitoring, and the use of independent safeguards in the overall portfolio management system and often, with respect to proprietary models, in the software code itself. Despite such testing, monitoring and independent safeguards, System Events will result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays to the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organize available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have materially negative effects on a Sub-Fund and/or its returns. The investment strategies of the Sub-Funds may be highly reliant on the gathering, cleaning, culling and analysis of large amounts of Data. Accordingly, Models rely heavily on appropriate Data inputs. However, it is not possible or practicable to factor all relevant, available Data into forecasts and/or trading decisions of the Models. The Investment Manager will use its discretion to determine what Data to gather with respect to each investment strategy and what subset of that Data the Models take into account to produce forecasts which may have an impact on ultimate trading decisions. In addition, due to the automated nature of Data gathering, the volume and depth of Data available, the complexity and often manual nature of Data cleaning, and the fact that the substantial majority of Data comes from third-party sources, it is inevitable that not all desired and/or relevant Data will be available to, or processed by, the Investment Manager at all times. If incorrect Data is fed into even a well-founded Model, it may lead to a System Event subjecting the relevant Sub-Funds to loss. Further, even if Data is input correctly, "model prices" anticipated by the Data through the Models may differ substantially from market prices, especially for securities with complex characteristics, such as derivatives. Where incorrect or

incomplete Data is available, the Investment Manager may, and often will, continue to generate forecasts and make trading decisions based on the Data available to it. Additionally, the Investment Manager may determine that certain available Data, while potentially useful in generating forecasts and/or making trade decisions, is not cost effective to gather due to the technology costs and, in such cases, the Investment Manager will not utilize such Data. Shareholders should be aware that there is no guarantee that any specific Data or type of Data will be utilized in generating forecasts or making trading decisions with respect to the Models, nor is there any guarantee that the Data actually utilized in generating forecasts or making trading decisions underlying the Models will be (i) the most accurate data available or (ii) free of errors. Shareholders should assume that the Data set used in connection with the Models is limited and should understand that the foregoing risks associated with gathering, cleaning, culling and analysis of large amounts of Data are an inherent part of investing with a process-driven, systematic adviser such as the Investment Manager. When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the relevant Sub-Funds to potential risks. For example, by relying on Models and Data, the Investment Manager may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favourable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful and when determining the Net Asset Value of the relevant Sub-Funds, any valuations of the relevant Sub-Fund's investments that are based on valuation Models may prove to be incorrect. In addition, Models may incorrectly forecast future behaviour, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low probability scenarios (often involving a market disruption of some kind), Models may produce unexpected results which may or may not be System Events. Errors in Models and Data are often extremely difficult to detect, and, in the case of proprietary models, the difficulty of detecting System Events may be exacerbated by the lack of design documents or specifications. Regardless of how difficult their detection appears in retrospect, some System Events will go undetected for long periods of time and some will never be detected. The degradation or impact caused by these System Events can compound over time. Finally, the Investment Manager will detect certain System Events that it chooses, in its sole discretion, not to address or fix, and the third party software will lead to System Events known to the Investment Manager that it chooses, in its sole discretion, not to address or fix. The Investment Manager believes that the testing and monitoring performed on its models will enable the Investment Manager to identify and address those System Events that a prudent person managing a process-driven, systematic and computerized investment program would identify and address by correcting the underlying issue(s) giving rise to the System Events or limiting the use of proprietary models, generally or in a particular application. Shareholders should assume that System Events and their ensuing risks and impact are an inherent part of investing with a process-driven, systematic investment manager such as the Investment Manager. Accordingly, the Investment Manager does not expect to disclose discovered System Events to the Company or to Shareholders. The Sub-Funds will bear the risks associated with the reliance on Models and Data including that the Sub-Funds will bear all losses related to System Events unless otherwise determined by the Investment Manager in accordance with its internal policies or as may be required by applicable law (including ERISA).

#### **2.54 Cyber Security Risk**

The Company and its service providers (including the Management Company, the Principal Investment Manager, the Investment Manager, the Administrator, the Depository and any distributors) ("Affected Persons") may be susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software distribution) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing

denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Affected Persons have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a Sub-Fund's ability to calculate its net asset value; impediments to trading for a Sub-Fund's portfolio; the inability of Shareholders to transact business with a Sub-Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Sub-Fund invests, counterparties with which a Sub-Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While cyber security risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

### **2.55    Obsolescence Risk**

The Sub-Funds are unlikely to be successful in their quantitative trading strategies unless the assumptions underlying the Models (as defined under the risk factor "Model and Data Risk" above) are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the Models do not reflect certain factors, and the Investment Manager does not successfully address such omission through its testing and evaluation and modify the Models accordingly, major losses may result – all of which will be borne by the Sub-Funds. The Investment Manager will continue to test, evaluate and add new Models, which may lead to the Models being modified from time to time. Any modification of the Models or strategies will not be subject to any requirement that Shareholders receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification to the Models or strategies on the Sub-Fund's performance.

### **2.56    Crowding/Convergence Risk**

There is significant competition among quantitatively-focused managers and the ability of the Investment Manager to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds is dependent on their ability to employ Models (as defined under the risk factor "Model and Data Risk" above) that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the Investment Manager is not able to develop sufficiently differentiated Models, the Sub-Funds' investment objective may not be met, irrespective of whether the Models are profitable in an absolute sense. In addition, to the extent that the Models come to resemble those employed by other managers, there is an increased risk that a market disruption may negatively affect predictive Models such as those employed by the Sub-Funds, as such a disruption could accelerate reductions in liquidity or rapid re-pricing due to simultaneous trading across a number of funds utilizing Models (or similar quantitatively-focused investment strategies) in the marketplace.

### **2.57    Involuntary Disclosure Risk**

The ability of the Investment Manager to achieve its investment goals for the relevant Sub-Fund is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models (as defined under the risk factor "Model and Data

Risk" above) and Data (as defined under the risk factor "Model and Data Risk" above) are largely protected by the Investment Manager through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer the Investment Manager's models, and thereby impair the relative or absolute performance of the Company and its Sub-Funds.

#### **2.58 Legal and Operational Risks Linked to Management of Collateral**

OTC derivatives are generally entered into pursuant to contracts based on the standards set by the International Securities Dealers Association for derivatives master agreements which are negotiated by the parties. The use of such contracts may expose a Sub-Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

The use of OTC derivatives and the management of collateral received are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Where cash collateral is re-invested, in accordance with the provision of the Prospectus, a Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

#### **2.59 Natural Disasters and Pandemic Risks**

Natural or environmental disasters (such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally) and widespread disease (including pandemics and epidemics) have been and can be highly disruptive to economies and markets. They can adversely impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Sub-Fund's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could negatively impact a Sub-Fund's ability to achieve its investment objective. Any such event(s) could have a significant adverse impact on the relevant Sub-Fund.

#### **2.60 Sub-Fund Specific Risks**

Please review the particular Supplement for specific risks associated with each particular Sub-Fund.

#### **2.61 Use of Brokers**

The Investment Manager has complete discretion in selection of brokers or dealers to be used for a particular transaction, and commissions, dealer spreads, or markups and markdowns paid. Transactions for a Sub-Fund will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. It is the Investment Manager's policy when executing securities transactions to take all sufficient steps to obtain the best possible result taking into consideration relevant "execution factors" (as such term is used in the FCA rules), including price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a particular transaction.

Subject to its best execution obligations under the FCA rules and applicable law, in selecting brokers and dealers to execute transactions, provide financing and securities on loan, hold cash balances and

provide other services, the Investment Manager may consider, among other factors that are deemed appropriate under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities; reliability and financial responsibility; the provision by the brokers of capital introduction, marketing assistance, consulting with respect to technology, operations, equipment, and commitment of capital; access to company management, and access to deal flow.

Subject to applicable law, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Company by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. The Investment Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

#### **2.62 Reliance on Third-Party Contributors**

The performance of the Sub-Fund is heavily dependent on the ability of the Investment Manager to select, attract, motivate and retain suitable third-party contributors. In the event that the Investment Manager is unable to continue to select, attract, motivate and retain suitable third-party contributors, the performance of the Sub-Fund will be adversely affected. In that event, the value of the Shares, and thereby the Shareholders, would also be adversely affected.

#### **2.63 Reliance on Optimisation**

The performance of the Sub-Fund is heavily dependent on the ability of the Investment Manager to create a diversified portfolio combining in an optimised manner the large number of investment ideas and scoring received by the Investment Manager from contributors. In the event that the Investment Manager is unable to continue to implement a successful optimisation strategy the performance of the Sub-Fund will be adversely affected. In that event, the value of the Shares, and thereby the Shareholders, would also be adversely affected.

#### **2.64 Performance Fee Risk**

In addition to receiving a fee for its services as sub-investment manager, the Investment Manager may also receive a Performance Fee based on the appreciation in the Net Asset Value (as adjusted for subscriptions and redemptions) and accordingly the Performance Fee 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 may create an incentive for the Investment Manager to make investments for a Sub-Fund, which are riskier than would be the case in the absence of a fee based on the performance of a Sub-Fund.

Investors should also note that the performance fee is not calculated separately for each investor and is instead calculated by reference to positive performance of the whole Class. This may result in an investor bearing a performance fee that is not in proportion to the gains experienced by that investor. Some investors may bear less – and others more – of the performance fee than is proportionate to the gains that they actually receive, depending on the timing of their subscriptions and redemptions. By way of example: an investor may get a "free ride" in the event that the investor subscribes at a time when a Sub-Fund is below the high water mark for performance fee calculation. Further, in unusual circumstances, (a drawdown followed by a large inflow and then positive performance) an investor could bear a performance fee even though the class's NAV per Share is below the NAV per Share at the point of the investor's initial subscription.

## **2.65 Use of Investment Research, Data, Investment ideas or Investment Scores from Third-Parties**

The Investment Manager consumes investment research, data, including alternative data, investment ideas and investment scores from third-parties, including, without limitation, brokerage firms, independent research boutiques and the Investment Manager is able to, in limited circumstances, consume such items from buy-side firms. Despite due diligence conducted on third-party providers by the Investment Manager, the use of information from third-parties involves risk that the Investment Manager could receive material non-public or other confidential information. Such receipt could restrict certain investment activities of the Investment Manager and/or the Company and/or the Sub-Fund. There may be scrutiny from regulators regarding the use of information from third-parties for investment purposes, and its use or misuse under current or future laws and regulations could create liability for the Investment Manager or the Company or Sub-Fund in various jurisdictions. The Investment Manager cannot predict what, if any, regulatory or other actions may be asserted with regard to information provided by third-parties, but any regulatory investigations or formal actions could cause reputational, financial, or other harm to the Investment Manager and/or to the Company and/or to the Sub-Fund. Any future limitations on the use of third-parties for investment research, data, investment ideas or investment scores could have a material adverse impact on the performance of the Sub-Fund.

## **2.66 Impact of Sustainability Risks on Returns**

The Investment Manager maintains a sustainability risk Policy that considers the risk that an environmental, social and governance event or condition could cause an actual or potential material negative impact on the value of an investment, and hence the Net Asset Value of a Sub-Fund. The Investment Manager considers sustainability risks relevant to the returns of a Sub-Fund, but sustainability risk would not by itself prevent the Investment Manager from making any investment. Instead, sustainability risk forms part of the overall investment and risk management processes, and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of risk. However, the Investment Manager does not apply any absolute risk limits or risk appetite thresholds to a Sub-Fund which relate exclusively to sustainability risk as a separate category of risk. Assessment of sustainability risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risks on a particular Sub-Fund's investments. To the extent that a sustainability risk is present, or occurs in a manner that is not anticipated by the Investment Manager in respect of a particular Sub-Fund, there may be a negative impact on the value of an investment, and therefore on the Net Asset Value of the particular Sub-Fund. A sustainability risk may arise and impact a specific investment in a particular Sub-Fund or may have a broader impact on an economic sector, geographical regions and/or jurisdictions and political regions.

Examples of sustainability risks that may be identified by the Investment Manager as being potentially relevant to the investments made by a particular Sub-Fund and hence its Net Asset Value may be, without limitation: environmental risks such as climate change, depletion of natural resources, or pollution and waste that arise in respect of an issuer itself, its affiliates or in its supply chain and/or that apply to a particular economic sector, geographical or political region; social risks, whether internal to a business (such as human rights violations, human trafficking, modern slavery / forced labour, inadequate health and safety, discrimination, breaches of employee rights and use of child labour, external (such as restrictions on or abuse of the rights of consumers including consumer personal data, management of product safety, quality and liability, relationships with and infringements of rights of local communities and indigenous populations) and "megatrends" (such as globalisation, automation and the use of artificial intelligence in manufacturing and service sectors,

inequality and wealth creation, digital disruption and social media, changing demographics including through health and longevity and urbanisation; and, governance risks such as lack of board or governing diversity, inadequate external or internal audit, infringement of the rights of minority shareholders, bribery and corruption, lack of scrutiny of executive pay, and poor personal data safeguards.

Any of these sustainability risks, if realised, could cause an issuer to suffer damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. An issuer may also suffer the impact of fines and other regulatory sanctions, or a loss of assets and/or physical loss including damage to real estate and infrastructure. In addition, economic sectors, regions and/or jurisdictions, could suffer material impacts from changes in law, regulation or industry norms, such as increasingly stringent environmental or health and safety laws, or a general transition to a greener, lower carbon and less polluting economic model. Certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability factors, such as pollution, compliance with minimum wage or living wage requirements and working conditions for personnel in the supply chain. The influence of such authorities, organisations and groups along with the public attention they may bring could cause affected industries to make material changes to their business practices which could increase costs and result in a negative impact on the profitability of businesses. Such external influences could also materially impact the consumer demand for a business's products and services which could result in a material loss in value of an investment linked to such businesses. Attempts by sectors, regions, businesses and technologies to adapt so as to reduce their impact on sustainability factors may not be successful, and may result in significant costs being incurred, and a consequential reduction in future ongoing profitability. A sustainability risk may also cause investors, including the Investment Manager in respect of a particular Sub-Fund, to determine that a particular investment is no longer suitable and to divest of it, or not make an investment in it.

#### **2.67 No consideration of sustainability adverse impacts**

The Investment Manager is not required to and therefore does not systematically consider the principal adverse impacts of its investments in a particular Sub-Fund on sustainability factors, but it does consider the portfolio of each Sub-Fund in respect of certain sustainability factors.

#### **2.68 EU Taxonomy Regulation (EU) 2020/852 (the "Taxonomy Regulation")**

Where a Sub-Fund is not identified as subject to the disclosure requirements of Article 8 or Article 9 of the SFDR, then the investments underlying such Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### APPENDIX 4: DEPOSITARY'S APPOINTED THIRD-PARTY DELEGATES

MARKET	SUBCUSTODIAN	CASH CORRESPONDENT BANK
ARGENTINA	HSBC Bank Argentina S.A. Via JPMorgan Chase Bank, N.A.** Buenos Aires ARGENTINA	HSBC Bank Argentina S.A. Buenos Aires
AUSTRALIA	Citigroup Pty. Limited Melbourne AUSTRALIA	Citibank, N.A. Melbourne
AUSTRIA	Citibank Europe plc Dublin IRELAND	J.P. Morgan AG** Frankfurt am Main
BANGLADESH	Standard Chartered Bank Via JPMorgan Chase Bank, N.A.** Dhaka BANGLADESH	Standard Chartered Bank Dhaka
BELGIUM	BNP Paribas Securities Services S.C.A. Brussels BELGIUM	J.P. Morgan A.G.** Frankfurt am Main
BERMUDA	HSBC Bank Bermuda Limited Via JPMorgan Chase Bank, N.A.** Hamilton BERMUDA	HSBC Bank Bermuda Limited Hamilton
BOTSWANA	Standard Chartered Bank Botswana Limited Via JPMorgan Chase Bank, N.A.** Gaborone BOTSWANA	Standard Chartered Bank Botswana Limited Gaborone
BRAZIL	J.P. Morgan S.A. DTVM** Sao Paulo BRAZIL	J.P. Morgan S.A. DTVM** Sao Paulo
BULGARIA	Citibank Europe plc Via JPMorgan Chase Bank, N.A.** Sofia BULGARIA	ING Bank N.V. Sofia
CANADA	J.P. Morgan Securities LLC New York, NY United States	Royal Bank of Canada Toronto
CHILE	Banco Santander Chile Via JPMorgan Chase Bank, N.A.** Santiago CHILE	Banco Santander Chile Santiago



MARKET	SUBCUSTODIAN	CASH CORRESPONDENT BANK
<b>CHINA B-SHARE</b>	Citibank, N.A. Hong Kong	JPMorgan Chase Bank, N.A.** New York  JPMorgan Chase Bank, N.A.** Hong Kong
<b>COLOMBIA</b>	Cititrust Colombia S.A. Bogota COLOMBIA	Cititrust Colombia S.A. Bogotá
<b>CROATIA</b>	Privredna banka Zagreb d.d. Via JPMorgan Chase Bank, N.A.** Zagreb CROATIA	Zagrebacka banka d.d. Zagreb
<b>CYPRUS</b>	HSBC Bank plc Via JPMorgan Chase Bank, N.A.** Athens GREECE	J.P. Morgan AG** Frankfurt am Main
<b>CZECH REPUBLIC</b>	UniCredit Bank Czech Republic and Slovakia, a.s. Via JPMorgan Chase Bank, N.A.** Prague CZECH REPUBLIC	Ceskoslovenska obchodni banka, a.s. Prague
<b>DENMARK</b>	Skandinaviska Enskilda Banken AB (publ) Copenhagen DENMARK	Skandinaviska Enskilda Banken AB (publ) Copenhagen
<b>EGYPT</b>	Citibank, N.A. Via JPMorgan Chase Bank, N.A.** Cairo EGYPT	Citibank, N.A. Cairo
<b>FINLAND</b>	Skandinaviska Enskilda Banken AB (publ) Helsinki FINLAND	J.P. Morgan AG** Frankfurt am Main
<b>FRANCE</b>	BNP Paribas Securities Services S.C.A. Pantin FRANCE	J.P. Morgan AG** Frankfurt am Main
<b>GERMANY</b>	J.P. Morgan Securities plc London United Kingdom	J.P. Morgan AG** Frankfurt am Main
<b>GHANA</b>	Standard Chartered Bank Ghana Limited Via JPMorgan Chase Bank, N.A.** Accra GHANA	Standard Chartered Bank Ghana Limited Accra

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<b>MARKET</b>	<b>SUBCUSTODIAN</b>	<b>CASH CORRESPONDENT BANK</b>
<b>GREECE</b>	Citibank Europe plc Athens GREECE	J.P. Morgan AG** Frankfurt am Main
<b>HONG KONG</b>	JPMorgan Chase Bank, N.A.** HONG KONG	JPMorgan Chase Bank, N.A.** Hong Kong
<b>HUNGARY</b>	Citibank Europe plc Budapest HUNGARY	CITIHUXXXX Citibank Europe plc. Budapest
<b>ICELAND</b>	Islandsbanki hf. Via JPMorgan Chase Bank, N.A.** Reykjavik ICELAND	Islandsbanki hf. Reykjavik
<b>INDONESIA</b>	HSBC Securities Services Menara Mulia Jakarta INDONESIA	HSBC Securities Services Jakarta
<b>INTERNATIONAL SECURITIES MARKET - CLEARSTREAM</b>	J.P. Morgan Securities plc London UNITED KINGDOM	HSBC Securities Services Jakarta
<b>INTERNATIONAL SECURITIES MARKET – EUROCLEAR</b>	J.P. Morgan Prime Nominees Limited London UNITED KINGDOM	HSBC Securities Services Jakarta
<b>IRELAND</b>	J.P. Morgan Prime Nominees Limited London United Kingdom	J.P. Morgan AG** Frankfurt am Main
<b>ISRAEL</b>	Bank Hapoalim B.M. Tel Aviv ISRAEL	Bank Hapoalim B.M. Tel Aviv
<b>ITALY</b>	Citibank Europe plc Milan ITALY	J.P. Morgan AG** Frankfurt am Main
<b>JAPAN</b>	Citibank, N.A. Tokyo JAPAN	Citibank, N.A. Tokyo Branch
<b>KENYA</b>	Standard Chartered Bank Kenya Limited Via JPMorgan Chase Bank, N.A.** Nairobi KENYA	Standard Chartered Bank Kenya Limited Nairobi

MARKET	SUBCUSTODIAN	CASH CORRESPONDENT BANK
<b>MALAYSIA</b>	HSBC Bank Malaysia Berhad Kuala Lumpur MALAYSIA	HSBC Bank Malaysia Berhad Kuala Lumpur
<b>MAURITIUS</b>	The Hongkong and Shanghai Banking Corporation Limited Via JPMorgan Chase Bank, N.A.** Ebene MAURITIUS	The Hongkong and Shanghai Banking Corporation Limited Ebene
<b>MEXICO</b>	Banco Nacional de Mexico, S.A. Mexico, D.F. MEXICO	Banco Nacional de Mexico, S.A (Banamex S.A.) Mexico D.F.
<b>MOROCCO</b>	Société Générale Marocaine de Banques Casablanca MOROCCO	Société Générale Marocaine de Banques Casablanca
<b>NAMIBIA</b>	Standard Bank Namibia Limited Via JPMorgan Chase Bank, N.A.** Windhoek NAMIBIA	The Standard Bank of South Africa Limited Johannesburg
<b>NETHERLANDS</b>	BNP Paribas Securities Services S.C.A. Amsterdam NETHERLANDS	J.P. Morgan AG** Frankfurt am Main
<b>NEW ZEALAND</b>	Citibank, N.A. Auckland NEW ZEALAND	Citibank, N.A. Auckland
<b>NIGERIA</b>	Stanbic IBTC Bank Plc Via JPMorgan Chase Bank, N.A.** Lagos NIGERIA	Stanbic IBTC Bank Plc Lagos
<b>NORWAY</b>	Skandinaviska Enskilda Banken AB (publ) Oslo NORWAY	Skandinaviska Enskilda Banken Oslo
<b>PAKISTAN</b>	Citibank, N.A. Karachi PAKISTAN	Citibank, N.A. Karachi
<b>PERU</b>	Citibank del Perú S.A. Lima PERU	Citibank del Perú S.A. Lima
<b>PHILIPPINES</b>	Citibank, N.A. Manila PHILIPPINES	Citibank, N.A. Manila

\*\* J.P. Morgan affiliate

MARKET	SUBCUSTODIAN	CASH CORRESPONDENT BANK
<b>POLAND</b>	Bank Handlowy w. Warszawie S.A. Warsaw POLAND	Bank Handlowy w. Warszawie S.A. Warsaw
<b>PORTUGAL</b>	BNP Paribas Securities Services S.C.A. Lisbon PORTUGAL	J.P. Morgan AG** Frankfurt am Main
<b>RUSSIA</b>	Joint Stock Company Commercial Bank Citibank Moscow RUSSIA	JPMorgan Chase Bank, N.A.** New York  ING Bank (EURASIA) ZAO Moscow
<b>SINGAPORE</b>	Citibank, N.A. SINGAPORE	Citibank, N.A. Singapore
<b>SLOVAK REPUBLIC</b>	UniCredit Bank Czech Republic and Slovakia, a.s. Via JPMorgan Chase Bank, N.A.** Bratislava SLOVAK REPUBLIC	J.P. Morgan AG** Frankfurt am Main
<b>SLOVENIA</b>	UniCredit Banka Slovenija d.d. Via JPMorgan Chase Bank, N.A.** Ljubljana SLOVENIA	J.P. Morgan AG** Frankfurt am Main
<b>SOUTH AFRICA</b>	The Standard Bank of South Africa Limited Johannesburg 2001 SOUTH AFRICA	The Standard Bank of South Africa Limited Johannesburg
<b>SOUTH KOREA</b>	Citibank Korea Inc. Seoul SOUTH KOREA	Citibank Korea Inc. Seoul
<b>SPAIN</b>	BNP Paribas Securities Services S.A. Madrid SPAIN	J.P. Morgan AG** Frankfurt am Main
<b>SRI LANKA</b>	The Hongkong and Shanghai Banking Corporation Limited Via JPMorgan Chase Bank, N.A.** SRI LANKA	The Hongkong and Shanghai Banking Corporation Limited Colombo
<b>SWEDEN</b>	Skandinaviska Enskilda Banken AB (publ) Stockholm SWEDEN	Svenska Handelsbanken Stockholm

MARKET	SUBCUSTODIAN	CASH CORRESPONDENT BANK
SWITZERLAND	J.P. Morgan Securities plc London UNITED KINGDOM	UBS Switzerland AG Zurich
TAIWAN	Citibank Taiwan Limited Taipei TAIWAN	Citibank Taiwan Limited Taipei
THAILAND	Citibank, N.A. Bangkok THAILAND	Citibank, N.A. Bangkok
TURKEY	Citibank A.S. Istanbul TURKEY	Citibank A.S. Istanbul
UNITED KINGDOM	J.P. Morgan Prime Nominees Limited London UNITED KINGDOM	JPMorgan Chase Bank, N.A.**London
	Citibank, N.A. London UNITED KINGDOM	
UNITED STATES	J.P. MORGAN SECURITIES LLC** New York NY UNITED STATES	JPMorgan Chase Bank, N.A.** New York
URUGUAY	Banco Itaú Uruguay S.A. Via JPMorgan Chase Bank, N.A.** Montevideo URUGUAY	Banco Itaú Uruguay S.A. Montevideo
ZAMBIA	Standard Chartered Bank Zambia Plc Lusaka ZAMBIA	Standard Chartered Bank Zambia Plc Lusaka
ZIMBABWE	Stanbic Bank Zimbabwe Limited Via JPMorgan Chase Bank, N.A.** Harare ZIMBABWE	Standard Chartered Bank Zambia Plc Lusaka

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## APPENDIX 5: SUB-FUND SUPPLEMENTS

### SUPPLEMENT 1: LUMYNA - MW TOPS UCITS FUND

This Supplement contains information relating specifically to Lumyna - MW TOPS UCITS Fund, a sub-fund of the Company. This Supplement forms part of and should be read in conjunction with the Prospectus.

<b>Name of Sub-Fund:</b>	Lumyna - MW TOPS UCITS Fund
<b>Investment Objective:</b>	<p>The investment objective of the Sub-Fund is to seek to provide investors with consistent absolute returns primarily through investing in equities of companies incorporated in or whose principal operations are in Europe.</p> <p>There can be no assurance that the Sub-Fund will achieve its investment objective.</p> <p>The Sub-Fund is Actively Managed and is not managed in reference to a benchmark.</p>
<b>Investment Policy:</b>	<p>The assets of the Sub-Fund will be used to mainly invest systematically in equities and equity-related instruments of companies incorporated in or whose principal operations are based in Europe on the basis of those investment ideas and scoring provided by third-party contributors and other information sources selected by the TOPS investment process (described more fully in the Investment Approach section below) and to effect additional investment opportunities identified by the Investment Manager. The Investment Manager has discretion to exploit additional investment opportunities (in line with the investment policy) identified by the Investment Manager.</p> <p>The Sub-Fund may also invest in debt securities such as bonds, notes, (including P-notes and exchange traded notes), ETCs (which are listed on an eligible market, secured, undated, limited recourse debt securities and may be issued by entities specialising in issuing specialist exchange traded products) and similar debt obligations or instruments of global companies.</p> <p>Exposure to equity and equity-related instruments may be obtained either directly (predominantly in common and preferred stock) or indirectly through Financial Derivative Instruments as further described in Appendix 2.</p> <p>The Sub-Fund's assets may be invested in equities listed on the Russian Trading System stock exchange, as well as on the Moscow Interbank Currency Exchange.</p>

The Sub-Fund may invest in equities and debt securities of or issued by Chinese companies, through regulated markets. The approach that the Sub-Fund will use to implement its investment policy will be to invest on the basis of investment ideas and scoring driven by (a) general factors such as stock and market momentum and prevailing market themes and events affecting an individual stock in particular (e.g. a merger or takeover, an earnings release, changes to the management of the issuer, or any other commercially significant event); and (b) valuation and fundamental criteria such as earnings growth and outlook for a specific stock. The resulting portfolio is expected to be relatively liquid and diversified. When making investments on behalf of the Sub-Fund, the Investment Manager will focus on investments which will generate a return for shareholders and will not focus on any specific country or sector within Europe. The Sub-Fund may invest a substantial portion of its net assets in Financial Derivative Instruments for investment purposes and for the purposes of hedging.

The Investment Manager may take short positions where it believes that securities are overvalued or otherwise likely to decrease in market value, or for the purposes of hedging or controlling exposure. Where the Investment Manager wishes to take short positions, it will only do so synthetically through the use of Financial Derivative Instruments, including but not limited to total return swaps (including equity swaps), basket and portfolio swaps, variance and volatility swaps, asset swaps, equity swaps, debt security swaps, single stock contracts for difference and equity index futures, forward and options contracts, single equity futures and options, and options on equity futures, as more fully set out in Appendix 2. The Sub-Fund may take synthetic short positions in any of the asset classes set out in this Supplement.

Further information on the exposure to total return swaps can be found below under "Exposure to securities financing transactions and total return swaps".

For long exposures to equities, the Investment Manager may also utilise equity Financial Derivative Instruments where it considers that such instruments are the most appropriate or cost-effective means of accessing the relevant underlying equities.

The Sub-Fund will take long and short positions over a variety of time periods, however the combination of long and short positions will never result in uncovered short positions. The net equity exposure of the Sub-Fund will not

	<p>normally exceed a range from 50 per cent net short to 150 per cent net long.</p> <p>Debt securities, which may be government or corporate, fixed or floating and above or below investment grade according to Standard &amp; Poor's, Fitch or Moody's or unrated, will be selected using the selection criteria more fully described in "Investment Approach" below. The Sub-Fund may also invest:</p> <ul style="list-style-type: none"> <li>• up to 15% of its assets in contingent convertible bonds</li> </ul> <p>In order to achieve its investment objective, the Sub-Fund may invest in (i) ADR/GDR, (ii) closed ended real estate investment trust (REITS); (iii) alternative investment markets (such as the AIM Italia or the AIM London); and (iv) certain structured products and securitized assets including but not limited to equity-linked notes, exchange traded notes and FX-linked notes.</p> <p>Some of the Sub-Fund's assets may also be held on an ancillary basis in cash or cash equivalents (including, without limitation, via a holding in money market funds), pending reinvestment, if this is considered appropriate to the objective of maximising returns.</p> <p>The Principal Investment Manager and the Investment Manager have classified this Sub-Fund as an Article 6 fund pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").</p>
<p><b>Investment approach:</b></p>	<p>As stated above, the Sub-Fund's assets will be invested systematically on the basis of those investment ideas and scoring from third-party contributors and other information sources selected by the TOPS ("Trade Optimised Portfolio System") investment process. The TOPS investment process comprises a framework of proprietary applications and models which seeks to capture, appraise, optimise and act upon the investment ideas and scoring provided by third-party contributors and other information sources and to aggregate them in a dynamic portfolio construction process. This involves five key elements, which are described below: investment idea or scoring collection, contributor relationship management, optimisation, risk management, and trade execution.</p> <p><i>Idea Collection</i></p> <p>The Investment Manager developed the TOPS process to capture what it considers to be the substantial and valuable investment information generated by investment banks and</p>



	<p>regional third-party contributors, through their sales and research departments, and specialist research boutiques. The Investment Manager selects individual contributors with appropriate expertise from certain firms to contribute their ideas based on the information resource of their firms to TOPS. The Investment Manager is also able to select individual contributors from buy-side firms to score specific securities.</p> <p><i>Contributor Relationship Management</i></p> <p>Contributor relationships are managed actively by the Investment Manager to ensure that each contributor regularly appraises the ideas they have supplied.</p> <p><i>Optimisation</i></p> <p>The optimisation process seeks systematically to identify those ideas that can be combined in a diversified portfolio and which target the stated risk-return profile. It further ensures diversification both at the position level and also by theme and style.</p> <p><i>Risk Management</i></p> <p>Risk management is an integral part of the investment process. The primary risk management measures that are built into the portfolio construction process, at security level, are liquidity, position size, instrument volatility and directional exposure.</p> <p>On a portfolio level, the primary risk measures are volatility and stock, sector, market and factor exposures (such as interest rates, currency rates, momentum indicators and valuation measures).</p> <p><i>Trade Execution</i></p> <p>The Investment Manager manages the execution of each order relative to the trading volume in the relevant security in order to minimise the price impact on the security and the cost to the portfolio, and to ensure that commission costs are controlled.</p>
<p><b>Investment in collective investment schemes:</b></p>	<p>The Sub-Fund will not invest more than 10% of its net assets in aggregate in the units of other UCITS or other collective investment schemes.</p>

<p><b>Global Exposure:</b></p>	<p>The "absolute" value-at-risk ("VaR") approach is the primary risk indicator used by the Investment Manager to measure global exposure, details of which are set out in Appendix 1 of the Prospectus. Under normal market conditions the VaR of the Sub-Fund is not expected to exceed 10% of the Net Asset Value of the Sub-Fund.</p> <p>Leverage will only be achieved through Financial Derivative Instruments.</p> <p>The level of leverage calculated using the sum of the notionals of the Financial Derivative Instruments utilised by the Sub-Fund will generally under normal market conditions not exceed 500% of the Net Asset Value of the Sub-Fund. The leverage figure calculated using the sum of the notionals of the Financial Derivative Instruments used does not take into account any netting and hedging arrangements that the Sub-Fund has in place at any time.</p> <p>The Sub-Fund may invest in Financial Derivative Instruments which, based on the sum of notionals, generate high leverage figures. This has the potential to magnify investment gains and losses to investors.</p>
<p><b>Exposure to securities financing transactions and total return swaps:</b></p>	<p>The Sub-Fund's gross notional exposure to total return swaps (including equity swaps) is expected to represent approximately 230% of its Net Asset Value and is not expected to exceed 400% of its Net Asset Value. In certain circumstances, these proportions may be higher.</p> <p>The Sub-Fund is not exposed to SFTs.</p>
<p><b>Valuation Point:</b></p>	<p>11.59 p.m. (Luxembourg time) on the Business Day immediately preceding the relevant Dealing Day.</p>
<p><b>Dealing Day:</b></p>	<p>Every Wednesday or the next following Business Day if such day is not a Business Day.</p>
<p><b>Dealing Request Deadline:</b></p>	<p>9.00 a.m. (Luxembourg time) two Business Days immediately preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.</p>
<p><b>Shares available:</b></p>	<p>Please refer to the general part of this Prospectus and <a href="http://www.lumyna.com">www.lumyna.com</a> for a description of the Shares available for this Sub-Fund.</p>
<p><b>Base Currency of the Sub-Fund:</b></p>	<p>USD</p>

Fees	B Shares	C Shares	C1 Shares	C2 Shares	D Shares	F Shares	G Shares	J Shares	X Shares
<b>Management Fee</b>	2.00% p.a.	0.60% p.a.	0.60% p.a.	N/A	2.50% p.a.	2.00% p.a.	1.33% p.a.	1.50% p.a.	Up to 2.00% p.a.
<b>Performance Fee</b>	20% p.a. of outperformance above High Water Mark	10% p.a. of outperformance above High Water Mark	10% p.a. of outperformance above High Water Mark	N/A	20% p.a. of outperformance above high water mark	20% p.a. of outperformance above High Water Mark	25% p.a. of outperformance above High Water Mark	20% p.a. of outperformance above High Water Mark	Up to 25% p.a. of outperformance above High Water Mark
<b>Administration and Operating Fee</b>	0.26% p.a.	0.26% p.a.	0.26% p.a.	Up to 0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.

Subject to the provisions of the Prospectus, each subscription from any investor on each Dealing Day may be limited to a maximum amount agreed by the Board of Directors and the Investment Manager, subject to the discretion of the Investment Manager to increase or waive this limit. The status of the availability of each Class, and any applicable Minimum Subscription, Minimum Additional Subscription and maximum subscription amount from any investor on each Dealing Day may be obtained at [www.lumyna.com](http://www.lumyna.com).

### 1. Performance Fee

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and as a result, performance fees may be paid on unrealised gains, which may subsequently never be realised.

The Performance Fee will be calculated in respect of each period of twelve months beginning on October 1 and ending on the following 30 September (the “**Calculation Period**”). The current Calculation Period started on 1 October 2021 and will end on 30 September 2022. The first Calculation Period for any Class will be the period commencing on the Business Day immediately following the close of the relevant Initial Offer Period and ending on the next following 30 September. The Performance Fee will be calculated and accrued as at 11.59 p.m. (Luxembourg time) on the last Business Day of each month (in accordance with the methodology that applies at each Valuation Point) and at each Valuation Point as an expense of the relevant Class and will be paid to the Investment Manager not later than 14 days after the end of each Calculation Period.

For each Calculation Period, the Performance Fee is equal to a percentage (as set out in the table above) of any New Net Appreciation (defined below).

The New Net Appreciation shall equal the amount, if any, by which the Net Asset Value of the relevant Class (after accrual of all applicable costs, but prior to reduction for accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark (defined below) (the “**New Net Appreciation**”).

The High Water Mark attributable to each Class is the greater of the Net Asset Value of the relevant Class as of the most recent 30 September at which a Performance Fee was paid by such relevant Class (after reduction for the Performance Fee then paid and for the dividends paid out to the shareholders of such relevant Class in relation to the Calculation Period then ending) and if no Performance Fee has

ever been paid, then the initial Net Asset Value of the relevant Class (the “**High Water Mark**” or “**HWM**”).

The Net Asset Value referred to in the previous sentence shall be increased when additional subscriptions are made to the relevant Class, by an amount equal to such subscriptions and shall be reduced proportionately whenever a redemption is made from the relevant Class by being multiplied by the fraction, the numerator of which is the Net Asset Value of the relevant Class immediately after, and the denominator of which is the Net Asset Value of the relevant Class immediately prior to, such redemption (Net Asset Value of the relevant Class in each case to be calculated prior to reduction for any accrued Performance Fee).

The Performance Fee shall be crystallised on 30 September each year and paid to the Investment Manager 14 days after that date. If a redemption is made from the relevant Class as of a date other than 30 September, a Performance Fee (if accrued as of the date of such redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager 14 days after the Dealing Day (or upon termination of the Investment Management Agreement, if earlier). Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class.

If the appointment of the Investment Manager is terminated during a Calculation Period the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

## 2. Performance Fee Example

The illustration below is an example of how the Performance Fee for a Share Class is calculated. The illustration makes the following assumptions:

- a 20% Performance Fee is charged on any New Net Appreciation,
- no management or other fees/expenses are included in the example

Description of Performance Fee scenario	Year/ Period	Valuation Point	Gross assets under management	HWM	New Net Appreciation	Performance Fee accrual	Crystallised Performance Fee amount	Net assets under management
Share Class launch	Calculation Period-1	A	\$100	\$100	\$0	\$0	\$0	\$100
Share Class in performance prior to end of Calculation Period	Calculation Period-1	B	\$110	\$100	\$10	\$2	\$0	\$108
Share Class not in performance prior to end of Calculation Period	Calculation Period-1	C	\$90	\$100	\$0	\$0	\$0	\$90
Share Class in performance at the end of Calculation Period	Calculation Period-1	D	\$115	\$100	\$15	\$3	\$3	\$112

Share Class in performance prior to end of Calculation Period 2	Calculation Period-2	E	\$122	\$112	\$10	\$2	\$0	\$120
Share Class not in performance prior to end of Calculation Period 2	Calculation Period-2	F	\$112	\$112	\$0	\$0	\$0	\$112

### 3. Summary of Illustration

- Share Class launched at Valuation Point A.
- At Valuation Point B the gross assets under management has risen to \$110 (\$10 in excess of the HWM of \$100) so the Performance Fee accrual is \$2 (20% of \$10). This means that the net assets at which Shares are bought or sold would be \$108. The Performance Fee will not be crystallised until either the end of the performance period which is Valuation Point D or on a redemption.
- At Valuation Point C, the gross assets under management has fallen by \$20 from \$110 to \$90. This is below the HWM of \$100, so the Share Class will accrue no Performance Fee for the period from B to C. Because the Share Class has underperformed since point A, the performance accrued in B (\$2) will be reversed and the net assets under management will now be \$90.
- At Valuation Point D, the gross assets under management has risen to \$115 (\$25 increase). The HWM is still 100. Consequently, a Performance Fee will only be charged on the \$15 increase from \$100 to \$115. The Performance Fee accrual will be \$3 (20% x \$15) so the net assets under management is \$112.
- At the end of this period, as it is the end of the Calculation Period, the Performance Fee is crystallised and the new HWM is set to \$112.
- At Valuation Point E, the gross assets under management increases by \$10 to \$122. A Performance Fee is only charged on this \$10 increase, i.e. \$2 (20% x \$10) accrual. The net assets under management is \$120 (\$122 - \$2).
- At Valuation Point F, the gross assets under management decreases by \$8 to \$112. This is equal to the HWM of \$112, so the Share Class will accrue no Performance Fee for the period from E to F. The net assets under management will now be \$112.

### 4. Certain Risk Factors

Investors' attention is particularly drawn to Appendix 3 "Certain Risk Factors" on page 76 of the Prospectus and especially to the risk factors relating to Reliance on Third-Party Contributors, Reliance on Optimisation and Performance Fee Risk on page 107 and the risk factor relating to the Impact of Sustainability Risk on Returns as per Article 6 of SFDR on page 108.

**SUPPLEMENT 2: LUMYNA - MW SYSTEMATIC ALPHA UCITS FUND**

This Supplement contains information relating specifically to Lumyna - MW Systematic Alpha UCITS Fund, a sub-fund of the Company. This Supplement forms part of and should be read in conjunction with the Prospectus.

**PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH FUNDS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, A PROSPECTUS FOR THIS SUB-FUND IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A FUND OR UPON THE ADEQUACY OR ACCURACY OF A PROSPECTUS. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS SUPPLEMENT OR ANY SUPPLEMENT OR PROSPECTUS FOR THIS COMPANY.**

<b>Name of Sub-Fund:</b>	Lumyna - MW Systematic Alpha UCITS Fund
<b>Investment Objective:</b>	<p>The investment objective of the Sub-Fund is to seek to provide investors with consistent absolute returns (meaning a positive total return rather than a return which is greater than a particular benchmark). The Sub-Fund aims to generate absolute returns irrespective of whether markets are trending up or down.</p> <p>There can be no assurance that the Sub-Fund will achieve its investment objective.</p> <p>The Sub-Fund is Actively Managed and is not managed in reference to a benchmark.</p>
<b>Investment Policy:</b>	<p>The assets of the Sub-Fund will be used to mainly invest systematically in securities selected by the Investment Manager's investment process (described more fully in the Investment Approach section below) and to exploit additional investment opportunities (in line with the investment policy) identified on a non-systematic basis by the Investment Manager.</p> <p>When making investments on behalf of the Sub-Fund, the Investment Manager will focus on investments which will, in the opinion of the Investment Manager, generate a return for Shareholders and will not focus on any specific country or industry sector or any particular market capitalisation.</p> <p>The Sub-Fund's assets will also be invested in global equities and other global liquid asset classes either directly (in common and preferred stock or exchange-traded funds), through equity-related instruments including Financial Derivative Instruments as further described in Appendix 2.</p> <p>The Sub-Fund may also invest in debt securities such as bonds, notes, (including P-notes and exchange traded notes), ETCs (which are listed on an eligible market, secured,</p>

undated, limited recourse debt securities and may be issued by entities specialising in issuing specialist exchange traded products) and similar debt obligations or instruments. Debt securities, which may be government or corporate, fixed or floating and above or below investment grade according to Standard & Poor's, Fitch or Moody's or unrated, will be selected using the selection criteria more fully described in "Investment Approach" below.

The net equity exposure of the Sub-Fund will vary according to the Investment Manager's view of market prospects and the Investment Manager will have discretion to be net synthetically short. However, the overall net equity exposure of the Sub-Fund will not normally exceed a range from 25 per cent net short to 25 per cent net long. In taking such net exposure in aggregate across the portfolio, the Investment Manager will determine whether the Sub-Fund's exposure to each investment is net long or net short.

The Sub-Fund may also invest in exchange-traded and over-the-counter foreign exchange, interest rate, equity, credit and commodity index financial derivative instruments (as more fully described in Appendix 2), for investment purposes and for the purposes of hedging.

The Sub-Fund may invest in exchange-traded or over-the-counter single equity futures and equity and equity-related index futures and forwards, commodity index futures contracts and forwards providing exposure to commodities (it being understood that the exposure to such commodities will be achieved exclusively through commodity indices which are appropriately diversified and meet applicable regulatory requirements and whose components may include futures contracts).

Further information on the exposure to total return swaps can be found below under "Exposure to securities financing transactions and total return swaps".

Up to 40% of the Sub-Fund's gross market exposure may be invested in emerging markets. The Sub-Fund may invest in equities and debt securities of or issued by Chinese companies, through regulated markets

Up to 10% the Sub-Fund's gross market exposure may be invested in equities listed on the Russian Trading System stock exchange, as well as on the Moscow Interbank Currency Exchange.

The Investment Manager may take short positions where it believes that securities are overvalued or otherwise likely to decrease in market value, or for the purposes of hedging or

controlling exposure. Where the Investment Manager wishes to take short positions, it will only do so synthetically through the use of Financial Derivative Instruments, including but not limited to total return swaps (including equity swaps), basket and portfolio swaps, variance and volatility swaps, asset swaps, equity swaps, debt security swaps, single stock contracts for difference and equity index futures, forward and options contracts, single equity futures and options, and options on equity futures, as more fully set out in Appendix 2. The Sub-Fund may take synthetic short positions in any of the asset classes set out in this Supplement.

For long exposures to equities, the Investment Manager may also utilise equity Financial Derivative Instruments, as described above, where it considers that such instruments are the most appropriate or cost-effective means of accessing the relevant underlying equities. The Sub-Fund may take long and synthetically short positions over a variety of time periods, however the combination of long and short positions will never result in uncovered short positions in the Sub-Fund. In respect of any instrument which contains an embedded derivative, for example ETFs, exchange traded notes or convertible securities, the derivative component of such instrument shall be of a type which the Sub-Fund could otherwise invest in directly.

In order to achieve positive absolute returns, the Sub-Fund may be indirectly exposed to commodity indices through Financial Derivative Instruments, certificates issued by third parties ("**Certificates**") or through exchange traded funds ("**ETFs**") which track the performance of commodity indices. Where the ETFs are classified as transferable securities they may embed derivatives and/or leverage. No direct investment will be made in commodities. A list of any commodity indices which the Sub-Fund takes exposure to will be included in the annual financial statements of the Company. Details of any commodity indices used by the Sub-Fund will also be provided to Shareholders of the Sub-Fund by the Investment Manager on request. Any commodity indices used will meet the financial index eligibility criteria.

Any such commodity index will be rebalanced/ adjusted on a periodic basis e.g. on a weekly, monthly, quarterly, semi-annual or annual basis. The costs associated with gaining exposure to a commodity index will be impacted by the frequency with which the relevant commodity index is rebalanced.

Certificates, which will not embed derivatives and/or leverage, are debt securities typically issued by banks or



	<p>entities related to banks who act as the counterparts or market makers in trades on certificates which guarantees liquidity. The Sub-Fund will typically invest in such Certificates which are listed or traded on an eligible market. The value of the certificate tracks the value of the underlying in the ratio determined by the issuer.</p> <p>The Sub-Fund may also invest:</p> <ul style="list-style-type: none"> <li>• up to 10% of its assets in distressed and/or defaulted securities;</li> <li>• up to 10% of its assets in ABS/MBS;</li> <li>• up to 15% of its assets in contingent convertible bonds.</li> </ul> <p>In order to achieve its investment objective, the Sub-Fund may invest in (i) ADR/GDR, (ii) closed ended real estate investment trust (REITS) (iii) alternative investment markets (such as the AIM Italia or the AIM London) and (iv) certain structured products and securitized assets including but not limited to equity-linked notes, exchange traded notes and FX-linked notes.</p> <p>Some of the Sub-Fund's assets may also be held on an ancillary basis in cash or cash equivalents (including, without limitation, via a holding in money market funds), pending reinvestment, if this is considered appropriate to the objective of maximising returns.</p> <p>The Principal Investment Manager and the Investment Manager have classified this Sub-Fund as an Article 6 fund pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”).</p>
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<p><b>Investment approach:</b></p>	<p>In selecting investments for the Sub-Fund, the Investment Manager will seek to exploit the large amount of data it collects relating to companies and markets, including corporate, broker and trading data and data relating to the portfolio positioning of market participants. The Investment Manager collects and analyses large amounts of such data and uses the data as inputs into a proprietary quantitative system that generates investment decisions for the Sub-Fund.</p> <p>The Investment Manager is well positioned to collect, analyse, optimize and exploit this dataset due to its strengths in technology, trading and risk management.</p> <p>The Investment Manager's portfolio construction process (meaning the selection of assets and the weighting of the assets within the portfolio) will be driven by proprietary alpha factors (i.e. from a proprietary system that seeks to predict future performance of securities). Allocations to these factors and exposures will be dynamic. The Investment Manager may make adjustments to the system's decisions on the basis of the judgment of the investment team (i.e. not on systematic basis) where it is consistent with the investment objective, (i.e. for the purposes of risk management) and will also exploit additional investment opportunities (consistent with the investment policy) identified on a non-systematic basis.</p> <p>The resulting strategy is expected to be diversified and liquid. The Investment Manager will trade positions actively to exploit changes in market sentiment or positioning in order to enhance the risk return characteristics of the strategy.</p> <p><i>Trade Execution</i></p> <p>The Investment Manager manages the execution of each trade order relative to the trading volume in the relevant security in order to minimise the price impact on the security and the cost to the portfolio, and to ensure that commission costs paid by the Sub-Fund are controlled.</p>
<p><b>Investment in collective investment schemes:</b></p>	<p>The Sub-Fund will not invest more than 10% of its net assets in aggregate in the units of other UCITS or other collective investment schemes.</p>
<p><b>Global Exposure:</b></p>	<p>The "absolute" value-at-risk ("VaR") approach is the primary risk indicator used by the Investment Manager to measure global exposure, details of which are set out in Appendix 1 of the Prospectus. Under normal market conditions the VaR</p>

	<p>of the Sub-Fund is not expected to exceed 10% of the Net Asset Value of the Sub-Fund.</p> <p>Leverage will only be achieved through Financial Derivative Instruments (whether for hedging or investment purposes). The Sub-Fund may invest in financial derivatives which, based on the sum of notionals, generate high leverage figures. This has the potential to magnify investment gains and losses to investors. There are two main drivers for high leverage figures. Firstly, the Sub-Fund may hold short term interest rate futures, which are highly consumptive of a notional limit. Secondly, instruments such as equity swaps/total return swaps and equity/index option strategies are delta hedged, and the sum of notionals approach includes the notional of each option leg in the strategy, which can be a high utiliser of leverage.</p> <p>The leverage figure is calculated using the sum of the notionals of the Financial Derivative Instruments utilised by the Sub-Fund will generally under normal market conditions not exceed 2,000% of the Net Asset Value of the Sub-Fund. The leverage figure calculated using the sum of the notionals of the Financial Derivative Instruments used does not take into account any netting and hedging arrangements that the Sub-Fund has in place at any time.</p>
<b>Exposure to securities financing transactions and total return swaps:</b>	<p>The Sub-Fund's gross notional exposure to total return swaps (including equity swaps) is expected to represent approximately 250% of its Net Asset Value and is not expected to exceed 600% of its Net Asset Value. In certain circumstances, these proportions may be higher.</p> <p>The Sub-Fund is not exposed to SFTs.</p>
<b>Valuation Point:</b>	11.59 p.m. (Luxembourg time) on the Business Day immediately preceding the relevant Dealing Day.
<b>Dealing Day:</b>	Every Wednesday or the next following Business Day if such day is not a Business Day.
<b>Dealing Request Deadline:</b>	9.00 a.m. (Luxembourg time) two Business Days immediately preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.

<b>Shares available:</b>	Please refer to the general part of this Prospectus and <a href="http://www.lumyna.com">www.lumyna.com</a> for a description of the Shares available for this Sub-Fund.
<b>Base Currency of the Sub-Fund:</b>	USD

<b>Fees</b>	<b>A Shares</b>	<b>B Shares</b>	<b>C Shares</b>	<b>C1 Shares</b>	<b>C2 Shares</b>	<b>D Shares</b>	<b>F Shares</b>	<b>J Shares</b>	<b>X Shares</b>
<b>Management Fee</b>	1.00% p.a.	1.50% p.a.	0.60% p.a.	0.60% p.a.	N/A	2.00% p.a.	1.50% p.a.	1.00% p.a.	Up to 1.50% p.a.
<b>Performance Fee</b>	20% p.a. of outperformance above High Water Mark	20% p.a. of outperformance above High Water Mark	10% p.a. of outperformance above High Water Mark	10% p.a. of outperformance above High Water Mark	N/A	20% p.a. of outperformance above High Water Mark	20% p.a. of outperformance above High Water Mark	20% p.a. of outperformance above High Water Mark	Up to 25% p.a. of outperformance above High Water Mark
<b>Administration and Operating Fee</b>	0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.	Up to 0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.

The Sub-Fund is only suitable for sophisticated investors who are able to understand the Sub-Fund's investment objective, policy and approach, as well as its risks in order to make an informed decision about making any application for Shares and in order to have adequate knowledge of and competence in alternative investment strategies and financial markets generally. The Management Company will ensure that the Sub-Fund's distributors, including the Principal Distributor, have adequate procedures in place to categorise investors appropriately and to determine the suitability of the Sub-Fund for any prospective investor in order that only investors meeting the above mentioned criteria can invest in the Sub-Fund.

Subject to the provisions of the Prospectus, each subscription from any investor on each Dealing Day may be limited to a maximum amount agreed by the Board of Directors and the Investment Manager, subject to the discretion of the Investment Manager to increase or waive this limit. The status of the availability of each Class, and any applicable Minimum subscription, Minimum Additional Subscription and maximum subscription amount from any investor on each Dealing Day may be obtained at [www.lumyna.com](http://www.lumyna.com).

#### **1. Performance Fee**

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and as a result, performance fees may be paid on unrealised gains, which may subsequently never be realised.

The Performance Fee will be calculated in respect of each period of twelve months beginning on October 1 and ending on the following 30 September (the "Calculation Period"). The current Calculation Period started on 1 October 2021 and will end on 30 September 2022. The first Calculation Period for any Class will be the period commencing on the Business Day immediately following the close of the relevant Initial Offer Period and ending on the next following 30 September. The Performance Fee will be calculated and accrued as at each Valuation Point as an expense of the

relevant Class and will be payable to the Investment Manager not later than 14 days after the end of each Calculation Period.

For each Calculation Period, the Performance Fee is equal to a percentage (as set out in the table above) of any New Net Appreciation (defined below).

The New Net Appreciation shall equal the amount, if any, by which the Net Asset Value of the relevant Class (after accrual of all applicable costs, but prior to reduction for accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark (defined below) (the “**New Net Appreciation**”).

The High Water Mark attributable to each Class is the greater of the Net Asset Value of the relevant Class as of the most recent 30 September at which a Performance Fee was paid by such relevant Class (after reduction for the Performance Fee then paid and for the dividends paid out to the shareholders of such relevant Class in relation to the Calculation Period then ending) and if no Performance Fee has ever been paid, then the initial Net Asset Value of the relevant Class (the “**High Water Mark**” or “**HWM**”).

The Net Asset Value referred to in the previous sentence shall be increased when additional subscriptions are made to the relevant Class, by an amount equal to such subscriptions and shall be reduced proportionately whenever a redemption is made from the relevant Class by being multiplied by the fraction, the numerator of which is the Net Asset Value of the relevant Class immediately after, and the denominator of which is the Net Asset Value of the relevant Class immediately prior to, such redemption (Net Asset Value of the relevant Class in each case to be calculated prior to reduction for any accrued Performance Fee).

The Performance Fee shall be crystallised on 30 September each year and paid to the Investment Manager 14 days after that date. If a redemption is made from the relevant Class as of a date other than 30 September, a Performance Fee (if accrued as of the date of such redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager 14 days after the Dealing Day (or upon termination of the Investment Management Agreement, if earlier). Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class.

If the appointment of the Investment Manager is terminated during a Calculation Period the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

## **2. Performance Fee Example**

The illustration below is an example of how the Performance Fee for a Share Class is calculated. The illustration makes the following assumptions:

- a 20% Performance Fee is charged on any New Net Appreciation,
- no management or other fees/expenses are included in the example

Description of Performance Fee scenario	Year/ Period	Valuation Point	Gross assets under management	HWM	New Net Appreciation	Performance Fee accrual	Crystallised Performance Fee amount	Net assets under management
Share Class launch	Calculation Period-1	A	\$100	\$100	\$0	\$0	\$0	\$100
Share Class in performance prior to end of Calculation Period	Calculation Period-1	B	\$110	\$100	\$10	\$2	\$0	\$108
Share Class not in performance prior to end of Calculation Period	Calculation Period-1	C	\$90	\$100	\$0	\$0	\$0	\$90
Share Class in performance at the end of Calculation Period	Calculation Period-1	D	\$115	\$100	\$15	\$3	\$3	\$112
Share Class in performance prior to end of Calculation Period 2	Calculation Period-2	E	\$122	\$112	\$10	\$2	\$0	\$120
Share Class not in performance prior to end of Calculation Period 2	Calculation Period-2	F	\$112	\$112	\$0	\$0	\$0	\$112

### 3. Summary of Illustration

- Share Class launched at Valuation Point A.
- At Valuation Point B the gross assets under management have risen to \$110 (\$10 in excess of the HWM of \$100) so the Performance Fee accrual is \$2 (20% of \$10). This means that the net assets at which shares are bought or sold would be \$108. The Performance Fee will not be crystallised until either the end of the performance period which is Valuation Point D or on a redemption.
- At Valuation Point C, the gross assets under management has fallen by \$20 from \$110 to \$90. This is below the HWM of \$100, so the Share Class will accrue no performance fee for the period from B to C. Because the Share Class has underperformed since point A, the performance accrued in B (\$2) will be reversed and the net assets under management will now be \$90.
- At Valuation Point D, the gross assets under management have risen to \$115 (\$25 increase). The HWM is still 100. Consequently, a Performance Fee will only be charged on the \$15 increase from \$100 to \$115. The Performance Fee accrual will be \$3 (20% x \$15) so the net assets under management are \$112.
- At the end of this period, as it is the end of the Calculation Period, the Performance Fee is crystallised and the new HWM is set to \$112.

- At Valuation Point E, the gross assets under management increase by \$10 to \$122. A Performance Fee is only charged on this \$10 increase, i.e. \$2 (20% x \$10) accrual. The net assets under management are \$120 (\$122 - \$2).
- At Valuation Point F, the gross assets under management decrease by \$8 to \$112. This is equal to the HWM of \$112, so the Share Class will accrue no Performance Fee for the period from E to F. The net assets under management will now be \$112.

#### **4. Certain Risk Factors**

Investors' attention is particularly drawn to Appendix 3 "Certain Risk Factors" on page 76 of the Prospectus and especially to the risk factors relating to Reliance on Third-party Contributors, Reliance on Optimisation and Performance Fee Risk on page 107 and the risk factor relating to the Impact of Sustainability Risk on Returns as per Article 6 of SFDR on page 108.

### SUPPLEMENT 3: LUMYNA - MW TOPS CHINA A SHARE UCITS FUND

This Supplement contains information relating specifically to Lumyna - MW TOPS China A Share UCITS Fund, a sub-fund of the Company. This Supplement forms part of and should be read in conjunction with the Prospectus.

<p><b>Name of Sub-Fund:</b></p>	<p>Lumyna - MW TOPS China A Share UCITS Fund</p>
<p><b>Investment Objective:</b></p>	<p>The investment objective of the Sub-Fund is to seek to provide investors with long-term capital appreciation primarily through investing and trading in equities of Chinese Companies as defined below.</p> <p>There can be no assurance that the Sub-Fund will achieve its investment objective.</p> <p>The Sub-Fund is Actively Managed in reference to a benchmark.</p> <p>The benchmark is the MSCI China A Net Return Index (Bloomberg ticker MBCN1A) (the “<b>Benchmark</b>”). The Investment Manager will use its discretion to invest in companies and sectors not included in the Benchmark in order to take advantage of investment opportunities and whilst the risk profile of the Sub-Fund and the Benchmark are similar, the Sub-Fund does not seek to track the Benchmark.</p>
<p><b>Investment Policy:</b></p>	<p>The assets of the Sub-Fund will be used to mainly invest systematically in equities and equity-related instruments (as listed in the paragraph following below) of Chinese Companies (meaning companies incorporated in, listed on a stock exchange established in, whose principal operations are in or which have significant operations in China (including Hong Kong and Macau and Taiwan (“<b>Chinese Companies</b>”))).</p> <p>Investment will be made on the basis of those investment ideas and scoring provided by third-party contributors and other information sources selected by the TOPS (“<b>Trade Optimised Portfolio System</b>”) investment process (described more fully in the Investment Approach section below) and to effect additional investment opportunities identified by the Investment Manager provided such investment opportunities are in line with the investment objective and investment policy of the Sub-Fund. Such additional investment opportunities may be identified by the Investment Manager from data relating to companies and markets, including corporate, broker and trading data and data relating to the portfolio positioning of market participants, gathered from sources other than the third-</p>



	<p>party contributors' investment ideas and scoring which the TOPS investment process collects.</p> <p>As noted above, the majority of such assets will be invested, taking either long or short exposure to the Chinese Companies in equities, either directly (predominantly in common and preferred stock to the extent that such stock is permitted pursuant to the rules relating to that stock) or through equity-related instruments (i.e. exchange traded and over-the-counter total return swap transactions (including equity swaps), options, warrants, rights, futures and forward contracts).</p> <p>Further information on the exposure to total return swaps can be found below under "Exposure to securities financing transactions and total return swaps".</p> <p>It is envisaged that exposure to China A Shares will primarily be accessed either (a) through OTC swap transactions being equity swaps entered into with OTC swap counterparties who have (or whose affiliates have) obtained Qualified Foreign Institutional Investor ("QFII") status in China, or (b) OTC swap transactions being equity swaps entered into with OTC swap counterparties who have (or whose affiliates have) access to China A shares via the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Hong Kong Stock Connect program ("Stock Connect"). The Sub-Fund may invest all of its assets in China A Shares.</p> <p>The approach that the Investment Manager will use to implement the TOPS process will be to invest on the basis of investment ideas and scoring driven by (a) general factors such as stock and market momentum and events affecting an individual stock in particular (e.g. a merger or takeover, an earnings release, changes to the management of the issuer, or any other commercially significant event); and (b) valuation and fundamental criteria such as earnings growth and outlook for a specific stock. The resulting portfolio is expected to be liquid and diversified.</p> <p>The Sub-Fund may invest principally in Financial Derivative Instruments for investment purposes and for the purposes of hedging.</p> <p>A list of each of the Financial Derivative Instruments that may be used by the Sub-Fund is contained in Appendix 2 of the Prospectus.</p> <p>The Investment Manager may take short positions where it believes that securities are overvalued or otherwise likely to decrease in market value, or for the purposes of hedging or controlling exposure. Where the Investment Manager</p>
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wishes to take short positions, it will only do so synthetically through the use of Financial Derivative Instruments, including but not limited to total return swaps (including equity swaps), basket and portfolio swaps, variance and volatility swaps, asset swaps, equity swaps, single stock contracts for difference and equity index futures, forward and options contracts, single equity futures and options, and options on equity futures, as more fully set out in Appendix 2. The Sub-Fund may take synthetic short positions in any of the asset classes set out in this Supplement.

For long exposures to Chinese Companies, the Investment Manager may also utilise equity Financial Derivative Instruments, as listed above, where it considers that such instruments are the most appropriate or cost-effective means of accessing the relevant underlying equities. The Sub-Fund may take long and synthetically short positions over a variety of time periods, however the combination of long and short positions will never result in uncovered short positions in the Sub-Fund. The net equity exposure of the Sub-Fund will vary according to the Investment Manager's view of market prospects. However, the Sub-Fund's net equity market exposure will normally be around 100 per cent net long.

The Sub-Fund may also invest in debt securities such as bonds, notes (including P-notes and exchange traded notes), ETCs (which are listed on an eligible market, secured, undated, limited recourse debt securities and which may be issued by entities specialising in issuing specialist exchange traded products) and similar debt obligations or instruments of Chinese Companies. Debt securities may be government or corporate, fixed or floating and above or below investment grade according to Standard & Poor's, Fitch or Moody's or unrated. In addition, the Sub-Fund's assets may be invested on an ancillary basis in AAA- or Aaa-rated fixed or floating rate government debt.

The Sub-Fund may also invest:

- up to 15% of its assets in contingent convertible bonds.

In order to achieve its investment objective, the Sub-Fund may invest in (i) ADR/GDR, (ii) closed ended real estate investment trust (REITS), (iii) alternative investment markets (such as the AIM Italia or the AIM London) and (iv) certain structured products and securitized assets including but not limited to equity-linked notes, exchange traded notes and FX-linked notes.

	<p>Some of the Sub-Fund's assets may also be held on an ancillary basis in cash or cash equivalents (including, without limitation, via a holding in money market funds), pending reinvestment, if this is considered appropriate to the objective of maximising returns.</p> <p>The Principal Investment Manager and the Investment Manager have classified this Sub-Fund as an Article 6 fund pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”).</p>
<p><b>Investment approach:</b></p>	<p>As stated above, the Sub-Fund's assets will be invested systematically on the basis of those investment ideas and scoring provided by third-party contributors and other information sources selected by the TOPS ("Trade Optimised Portfolio System") investment process. The Investment Manager has discretion to exploit additional investment opportunities (in line with the Investment Policy described above) identified by the Investment Manager. The TOPS investment process comprises a framework of proprietary applications and models which seeks to capture, appraise, optimise and act upon the investment ideas and scoring provided by third-party contributors and other information sources and to aggregate them in a dynamic portfolio construction process. This involves five key elements, which are described below: investment idea or scoring collection, contributor relationship management, optimisation, risk management, and trade execution.</p> <p><i>Idea Collection</i></p> <p>The Investment Manager developed the TOPS process to capture what it considers to be the substantial and valuable investment information generated by investment banks and regional third party contributors, through their sales and research departments, and specialist research boutiques. The Investment Manager selects individual contributors with appropriate expertise from certain firms to contribute their ideas based on the information resource of their firms to TOPS. The Investment Manager is also able to select individual contributors from buy-side firms to score specific securities.</p> <p><i>Contributor Relationship Management</i></p> <p>Contributor relationships are managed actively by the Investment Manager to ensure that each contributor regularly appraises the ideas they have supplied.</p>

	<p><i>Optimisation</i></p> <p>The optimisation process seeks systematically to identify those ideas that can be combined in a diversified portfolio. It further ensures diversification both at the position level and also by theme and style.</p> <p><i>Risk Management</i></p> <p>Risk management is an integral part of the investment process. The primary risk management measures that are built into the portfolio construction process, at security level, are liquidity, position size, instrument volatility and directional exposure.</p> <p>On a portfolio level, the primary risk measures are volatility (taking into account the VaR limit of the Sub-Fund) and stock, sector, market and factor exposures (such as interest rates, currency rates, momentum indicators and valuation measures).</p> <p><i>Trade Execution</i></p> <p>The Investment Manager manages the execution of each order relative to the trading volume in the relevant security in order to minimise the price impact on the security and the cost to the portfolio, and to ensure that commission costs are controlled.</p>
<p><b>Investment in collective investment schemes:</b></p>	<p>The Sub-Fund will not invest more than 10% of its net assets in aggregate in the units of other UCITS or other collective investment schemes.</p>
<p><b>Global Exposure:</b></p>	<p>The "relative" value-at-risk ("VaR") approach is the primary risk indicator used by the Investment Manager to measure global exposure, details of which are set out in page 64 of the main body of the Prospectus. The Investment Manager uses the Benchmark for this purpose. The Benchmark is inscribed on the ESMA's public register. The Investment Manager considers the Benchmark to be appropriate to the Sub-Fund because the Sub-Fund's investment policy is to invest primarily in equities of Chinese Companies such as those included in the Benchmark.</p> <p>Leverage will only be achieved through Financial Derivative Instruments. The use of Financial Derivative Instruments (whether for hedging or investment purposes) will give rise to an additional leveraged exposure.</p>

	<p>The level of leverage utilised by the Sub-Fund will generally under normal market conditions not exceed 300% of the Net Asset Value of the Sub-Fund. The leverage figure is calculated using the sum of the notionals of the Financial Derivative Instruments used and does not take into account any netting and hedging arrangements that the Sub-Fund has in place at any time.</p> <p>The Sub-Fund may invest in Financial Derivative Instruments which, based on the sum of notionals, generate high leverage figures. This has the potential to magnify investment gains and losses to investors.</p>
<b>Exposure to securities financing transactions and total return swaps:</b>	<p>The Sub-Fund's gross notional exposure to total return swaps (including equity swaps) is expected to represent approximately 140% of its Net Asset Value and is not expected to exceed 300% of its Net Asset Value. In certain circumstances, these proportions may be higher.</p> <p>The Sub-Fund is not exposed to SFTs.</p>
<b>Valuation Point:</b>	11.59 p.m. (Luxembourg time) on the Business Day immediately preceding the relevant Dealing Day.
<b>Dealing Day:</b>	Every Business Day and also any day on which banks are open for business in Shanghai and/or such other place or places and such other day or days as the Directors may determine and notify to Shareholders in advance.
<b>Dealing Request Deadline:</b>	<ul style="list-style-type: none"> <li>• For subscriptions for shares of any Class and for redemptions of shares of any Class except the C Shares and the C2 Shares: 12 p.m. (noon) (Luxembourg time) three Business Days immediately preceding the relevant Dealing Day</li> <li>• For redemptions of C Shares or C2 Shares: 12 p.m. (noon) (Luxembourg time) five Business Days immediately preceding the relevant Dealing Day;</li> <li>• or in each case such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.</li> </ul>
<b>Shares available:</b>	Please refer to the general part of this Prospectus and <a href="http://www.lumyna.com">www.lumyna.com</a> for a description of the Shares available for this Sub-Fund.

<b>Base Currency of the Sub-Fund:</b>	USD
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<b>Fees</b>	<b>A Shares</b>	<b>B Shares</b>	<b>C Shares</b>	<b>C1 Shares</b>	<b>C2 Shares</b>	<b>D Shares</b>	<b>F Shares</b>	<b>G Shares</b>	<b>J Shares</b>	<b>X Shares</b>
<b>Management Fee</b>	0.75% p.a.	1.25% p.a.	0.60% p.a.	0.60% p.a.	N/A	1.75% p.a.	1.25% p.a.	1.00% p.a.	0.75% p.a.	Up to 1.50% p.a.
<b>Performance Fee</b>	20% p.a. of outperformance above the Benchmark	20% p.a. of outperformance above the Benchmark	10% p.a. of outperformance above the Benchmark	10% p.a. of outperformance above the Benchmark	N/A	20% p.a. of outperformance above the Benchmark	20% p.a. of outperformance above the Benchmark	20% p.a. of outperformance above the Benchmark	20% p.a. of outperformance above the Benchmark	Up to 25% p.a. of outperformance above the Benchmark
<b>Administration and Operating Fee</b>	0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.	Up to 0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.

Subject to the provisions of the Prospectus, each subscription from any investor on each Dealing Day may be limited to a maximum amount agreed by the Board of Directors and the Investment Manager, subject to the discretion of the Investment Manager to increase or waive this limit. The status of the availability of each Class, and any applicable Minimum Subscription, Minimum Additional Subscription and maximum subscription amount from any investor on each Dealing Day may be obtained at [www.lumyna.com](http://www.lumyna.com).

### 1. Anti Dilution Levy

In the event of requests for redemption exceeding subscription applications for the Sub-Fund on any Dealing Day, an anti-dilution levy may be applied to the Redemption Price per Share. Any such levy will be capped at 1.5% of net redemption proceeds for any Dealing Day. The levy will be calculated to provide for losses borne by the Sub-Fund attributable to selling the Sub-Fund's illiquid assets at a discount reflecting their illiquid nature. To the extent that there is accrued performance fee attributable to the Shares that are being redeemed, the ADL will be reduced proportionately (an "ADL Performance Fee Adjustment") so that the redeeming Shareholder will only bear the cost of the Sub-Fund's performance fees after the impact of the ADL on the performance attributable to the relevant Shares. The proceeds of this levy will be applied to the assets of the Sub-Fund.

### 2. Performance Fee

The Sub-Fund will pay to the Investment Manager a Performance Fee in relation to each Class of Shares except for the C2 Shares. No Performance Fee shall be payable in respect of C2 Shares.

The Performance Fee will be calculated in respect of each period of twelve months beginning on 1 October and ending on the following 30 September (the "**Calculation Period**"). The Performance Fee shall be crystallised on 30 September each year and paid to the Investment Manager not later than 14 days after that date. The current Calculation Period started on 1 October 2021 and will end on 30 September 2022. The first Calculation Period for any Class will be the period commencing on the Business Day immediately following the close of the relevant Initial Offer Period and ending on the next following 30 September.

The Performance Fee is equal to a percentage (as set out in the table above) of any relative outperformance in the Net Asset Value of a Class over the performance of the Benchmark, provided that a Performance Fee will not be payable until any previous shortfalls relative to the Benchmark's performance (the "**Loss Carry Forward**") are recovered.

In order to calculate the Performance Fee, a Benchmark Amount (the "**Benchmark Amount**") and any Loss Carry Forward is calculated as at each Valuation Point by the Administrator. The Performance Fee is calculated by reference to the amount by which the net asset value of the relevant Class (after accrual of all applicable costs) exceeds the Benchmark Amount (the "**New Net Appreciation**"), less any Loss Carry Forward. The initial Benchmark Amount will be the initial Net Asset Value of the relevant Class and the Benchmark Amount is then adjusted as at each Valuation Point to take into account the performance of the Benchmark and any subscriptions, redemptions and distributions. After the end of each Calculation Period, the Benchmark Amount is set to equal the net asset value of the relevant Class at the start of the following Calculation Period. A Performance Fee may still be payable if the relevant Class has a negative performance but has outperformed the Benchmark during the Calculation Period.

The Loss Carry Forward for the first Valuation Period of each Calculation Period shall be (i), where New Net Appreciation as at the end of the previous Calculation Period is greater than or equal to zero, zero and; (ii) where New Net Appreciation as at the end of the previous Calculation Period is less than zero, the New Net Appreciation proportionally decreased for any redemptions. For all other Valuation Points, the Loss Carry Forward shall be the Loss Carry Forward as the end of the previous Valuation Period proportionally reduced for any redemptions from the relevant Class, as set out above, as at the relevant Valuation Point.

The Performance Fee will be calculated and accrued as an expense of the relevant Class at each Valuation Point and will be payable to the Investment Manager in arrears within 14 days of the end of each Calculation Period.

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before the deduction of any accrued Performance Fee and before any deduction for distributions.

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and as a result, Performance Fees may be paid on unrealised gains, which may subsequently never be realised.

If a redemption is made from the relevant Class as of a date other than 30 September, a Performance Fee (if accrued as of the date of such redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager 14 days after the Dealing Day (or upon termination of the Investment Management Agreement, if earlier). The crystallised Performance Fee shall be reduced by any ADL Performance Fee adjustment. Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class.

If the appointment of the Investment Manager is terminated during a Calculation Period the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

The Performance Fee will be calculated by the Administrator.

### 3. Performance Fee Example

The illustration below is an example of how the Performance Fee for a Share Class is calculated. The illustration makes the following assumptions:

- a 20% Performance Fee is charged on any outperformance of the benchmark, subject to the Loss Carry Forward,
- no management or other fees/expenses are included in the example

Description of Performance Fee scenario	Year/ Period	Valuation Point	Gross assets under management	Loss Carry Forward	Benchmark Performance change	Benchmark Amount	New Net Appreciation	Performance Fee accrual	Crystallised Performance Fee amount	Net assets under management
Share Class launch	Calculation Period-1	A	\$100	0	-	\$100	\$0	\$0	\$0	\$100
Share Class in performance prior to end of Calculation Period	Calculation Period-1	B	\$108	0	+\$3	\$103	\$5	\$1	\$0	\$107
Share Class not in performance prior to end of Calculation Period	Calculation Period-1	C	\$106	0	+\$3	\$106	\$0	\$0	\$0	\$106
Share Class in performance at the end of Calculation Period	Calculation Period-1	D	\$120	0	+\$4	\$110	\$10	\$2	\$2	\$118
End of Period Benchmark resets to Net assets under management	Calculation Period-1	D				\$118				
Share Class not in performance at end of Calculation Period; Loss to be carried forward	Calculation Period-2	E	\$118	0	+\$3	\$121	-\$3	\$0	\$0	\$118
End of Period Benchmark resets to net assets under management	Calculation Period-2	E				\$118				
Share Class in performance prior to end of Calculation Period	Calculation Period-3	F	\$126	-\$3	+\$0	\$118	\$8	\$1	\$0	\$125

### 4. Summary of Illustration

- Share Class launched at Valuation Point A with \$100, the Benchmark Amount set at \$100.
- At Valuation Point B the gross assets under management have risen to \$108 and the Benchmark Amount has risen to \$103 (due to benchmark performance of 3%). A Performance



Fee will only be charged on the outperformance. The Performance Fee accrual is \$1 (20% x (\$108 - \$103)).

- At Valuation Point C, the gross assets under management have fallen to \$106. This is the same as the Benchmark Amount, and so the Share Class will accrue no Performance Fee for the period from B to C. The performance accrued in B (\$1) will be reversed and the net assets under management will now be \$106.
- At Valuation Point D, the gross assets under management have risen to \$120 and Benchmark Amount is at \$110 due to performance of the benchmark. Consequently, a Performance Fee will only be charged on the outperformance i.e. \$120 minus the Benchmark Amount of \$110. The Performance Fee accrual will be \$2 (20% x (\$120 - \$110)) so the net assets under management are \$118 (i.e. \$120 - \$2).
- At the end of this period, as it is the end of the Calculation Period, the Performance Fee is crystallised, Note the Loss Carry Forward is Zero as the New Net Appreciation exceeds zero. The Benchmark Amount is also re-set to equal the net assets under management of the relevant Class at the start of the following Calculation Period.
- At Valuation Point E, the gross assets under management remain at \$118. The Benchmark Amount has risen by \$3. No Performance Fee is payable. As this is the end of the Calculation Period, and there is a net loss, the Loss Carry Forward for the subsequent period is set as the New Net Appreciation (-\$3).
- At Valuation Point F, the gross assets under management increase to \$126. The Share Class will accrue a Performance Fee on \$5 i.e. the New Net Appreciation \$8 less the Loss carry Forward: -\$3.

## 5. Certain Risk Factors

Investors' attention is particularly drawn to Appendix 3 "Certain Risk Factors" on page 76 of the Prospectus and especially to the risk factors relating to Reliance on Third-Party Contributors, Reliance on Optimisation, Performance Fee Risk and investing in China on page 107 and the risk factor relating to the Impact of Sustainability Risk on Returns as per Article 6 of SFDR on page 108.

#### SUPPLEMENT 4: LUMYNA - MW TOPS (MARKET NEUTRAL) UCITS FUND

This Supplement contains information relating specifically to Lumyna - MW TOPS (Market Neutral) UCITS Fund, a sub-fund of the Company. This Supplement forms part of and should be read in conjunction with the Prospectus.

<b>Name of Sub-Fund:</b>	Lumyna - MW TOPS (Market Neutral) UCITS Fund
<b>Investment Objective:</b>	<p>The investment objective of the Sub-Fund is to provide investors with consistent absolute returns primarily through investing in global equities. The Sub-Fund will seek to preserve capital through the use of various risk management techniques, given its long term investment strategy.</p> <p>The Sub-Fund is Actively Managed and is not managed in reference to a benchmark.</p> <p>There can be no assurance that the Sub-Fund will achieve its investment objective.</p>
<b>Investment Policy:</b>	<p>The assets of the Sub-Fund will be used to mainly invest systematically on the basis of those investment ideas and scoring provided by third-party contributors and other information sources selected by TOPS (Trade Optimised Portfolio System), described more fully below. The Investment Manager has discretion to exploit additional investment opportunities (in line with the Investment Policy) identified by the Investment Manager.</p> <p>The Sub-Fund's assets will be predominantly invested in global equities, either directly or through Financial Derivative Instruments as further described in Appendix 2. The Sub-Fund may invest a substantial portion of its net assets in Financial Derivative Instruments for investment purposes and for the purposes of hedging.</p> <p>In addition, the Sub-Fund's assets may be invested on an ancillary basis in debt securities (including those that are credit linked) listed on a stock exchange or dealt on a regulated market issued by financial or credit institutions or corporate issuers or sovereign states (including those from emerging markets) and/or supranational organisations.</p> <p>The Sub-Fund may also invest in debt securities such as bonds, notes (including P-notes and exchange traded notes) and ETCs (which are listed on an eligible market, secured, undated, limited recourse debt securities and may be issued by entities specialising in issuing specialist exchange traded products).</p>

The Sub-Fund may invest in equities and debt securities of or issued by Chinese companies, through regulated markets. The Investment Manager will pursue a discretionary hedging policy to preserve investors' capital in line with its long term investment strategy. Although the investment objective of the Sub-Fund is to provide investors with consistent absolute returns by implementing a market neutral investment strategy, the net equity exposure of the Sub-Fund may temporarily vary according to the Investment Manager's view of market prospects and the Sub-Fund may be net short of markets or net long of markets. However, the overall net equity exposure of the Sub-Fund will not normally exceed a range from 15% net short to 15% net long. The range stated above will allow the Investment Manager to apply appropriate risk management measures when necessary.

Where the Investment Manager wishes to take short positions in equities, it will do so exclusively through the use of equity Financial Derivative Instruments. For long exposures to equities, the Investment Manager will utilize equity Financial Derivative Instruments where it considers that such instruments are the most appropriate or cost-effective means of accessing the relevant underlying equities. The Sub-Fund will take long and short positions over a variety of time periods, however the combination of long and short positions will never result in uncovered short positions.

The pricing of OTC derivatives contracts will be performed independently of the trading desks of the OTC swap counterparties, which are the counterparties to the Sub-Fund in respect of OTC derivative contracts.

The Sub-Fund may also invest:

- up to 15% of its assets in contingent convertible bonds.

In order to achieve its investment objective, the Sub-Fund may invest in (i) ADR/GDR, (ii) closed ended real estate investment trust (REITS), (iii) alternative investment markets (such as the AIM Italia or the AIM London) and (iv) structured products and securitized assets including but not limited to equity-linked notes, exchange traded notes and FX-linked notes.

Some of the Sub-Fund's assets may also be held on an ancillary basis in cash or cash equivalents (including, without limitation, via a holding in money market funds), pending

	<p>reinvestment, if this is considered appropriate to the objective of maximising returns.</p> <p>The Principal Investment Manager and the Investment Manager have classified this Sub-Fund as an Article 6 fund pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”).</p>
<p><b>Investment approach:</b></p>	<p>The TOPS investment process comprises a framework of proprietary applications and models which seeks to capture, appraise, optimise and act upon the investment ideas and scoring provided by third-party contributors and other information sources and to aggregate them in a dynamic portfolio construction process. This involves five key elements, which are described below:</p> <p>investment idea collection, contributor relationship management, optimisation, risk management, and trade execution.</p> <p><i>Idea Collection</i></p> <p>The Investment Manager developed the TOPS process to capture what it considered to be the substantial and valuable investment information generated by investment banks and regional third party contributors, through their sales and research departments, and specialist research boutiques. The Investment Manager selects individual salespeople with appropriate expertise from certain firms to contribute their ideas based on the information resource of their firms to TOPS. The Investment Manager is also able to select individual contributors from buy-side firms to score specific securities.</p> <p><i>Contributor Relationship Management</i></p> <p>Contributor relationships are managed actively by the Investment Manager to ensure that each contributor regularly appraises the ideas they have supplied.</p> <p><i>Optimisation</i></p> <p>The optimisation process seeks systematically to identify those ideas that can be combined in a diversified portfolio and which target the stated risk-return profile. It further ensures diversification both at the position level and also by theme and style.</p> <p><i>Risk Management</i></p> <p>Risk management is an integral part of the investment process. The primary risk management measures that are built into the portfolio construction process, at security</p>

	<p>level, are liquidity, position size, instrument volatility and directional exposure.</p> <p>On a portfolio level, the primary risk measures are volatility and stock, sector, market and factor exposures (such as interest rates, currency rates, momentum indicators and valuation measures).</p> <p><i>Trade Execution</i></p> <p>The Investment Manager manages the execution of each order relative to the trading volume in the relevant security in order to minimise the price impact on the security and the cost to the portfolio, and to ensure that commission costs are controlled.</p> <p><i>Investment Strategies</i></p> <p>The approach that the Sub-Fund will use to implement its investment policy will be to invest on the basis of investment ideas and scoring driven by (a) general factors such as stock and market momentum and prevailing market themes and events affecting an individual stock in particular (e.g. a merger or takeover, an earnings release, changes to the management of the issuer, or any other commercially significant event); and (b) valuation and fundamental criteria such as earnings growth and outlook for a specific stock. The resulting portfolio is expected to be relatively liquid and diversified.</p>
<p><b>Investment in collective investment schemes:</b></p>	<p>The Sub-Fund will not invest more than 10% of its net asset value in aggregate in the units of other UCITS or other collective investment schemes.</p>
<p><b>Global Exposure:</b></p>	<p>The "absolute" value-at-risk ("VaR") approach is the primary risk indicator used by the Investment Manager to measure global exposure, details of which are set out in Appendix 1 of the Prospectus. Under normal market conditions the VaR of the Sub-Fund is not expected to exceed 6% of the Net Asset Value of the Sub-Fund.</p> <p>Leverage will only be achieved through Financial Derivative Instruments.</p> <p>The level of leverage calculated using the sum of the notionals of the Financial Derivative Instruments utilised by the Sub-Fund will generally under normal market conditions not exceed 550% of the Net Asset Value of the Sub-Fund. The leverage figure calculated using the sum of the notionals of the Financial Derivative Instruments used does</p>

	<p>not take into account any netting and hedging arrangements that the Sub-Fund has in place at any time.</p> <p>The Sub-Fund may invest in Financial Derivative Instruments which, based on the sum of notionals, generate high leverage figures. This has the potential to magnify investment gains and losses to investors.</p>
<b>Exposure to securities financing transactions and total return swaps:</b>	<p>The Sub-Fund's gross notional exposure to total return swaps (including equity swaps) is expected to represent approximately 250% of its Net Asset Value and is not expected to exceed 550% of its Net Asset Value. In certain circumstances, these proportions may be higher.</p> <p>The Sub-Fund is not exposed to SFTs.</p>
<b>Valuation Point:</b>	11.59 p.m. (Luxembourg time) on the Business Day immediately preceding the relevant Dealing Day.
<b>Dealing Day:</b>	Every Wednesday or next following Business Day if such day is not a Business Day.
<b>Dealing Request Deadline:</b>	9.00 a.m. (Luxembourg time) two Business Days immediately preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.
<b>Shares available:</b>	Please refer to the general part of this Prospectus and <a href="http://www.lumyna.com">www.lumyna.com</a> for a description of the Shares available for this Sub-Fund.
<b>Base Currency of the Sub-Fund:</b>	USD

<b>Fees</b>	<b>B Shares</b>	<b>C Shares</b>	<b>C2 Shares</b>	<b>D Shares</b>	<b>F Shares</b>	<b>X Shares</b>
<b>Management Fee</b>	1.50% p.a.	0.60% p.a.	N/A	2.00% p.a.	1.50% p.a.	Up to 1.50% p.a.
<b>Performance Fee</b>	20% p.a. of outperformance above High Water Mark	10% p.a. of outperformance above High Water Mark	N/A	20% p.a. of outperformance above High Water Mark	20% p.a. of outperformance above High Water Mark	Up to 25% p.a. of outperformance above High Water Mark
<b>Administration and Operating Fee</b>	0.26% p.a.	0.26% p.a.	Up to 0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.

Subject to the provisions of the Prospectus, each subscription from any investor on each Dealing Day may be limited to a maximum amount agreed by the Board of Directors and the Investment Manager, subject to the discretion of the Investment Manager to increase or waive this limit. The status of the availability of each Class, and any applicable Minimum Subscription, Minimum Additional Subscription and maximum subscription amount from any investor on each Dealing Day may be obtained at [www.lumyna.com](http://www.lumyna.com).

Some F Share Classes (as described in the table above) are listed (the "Listed Shares") on the Luxembourg Stock Exchange multilateral trading facility (the "Euro MTF").

The eligibility requirements applicable to the Listed Shares as described in the table above as well as in the general part of the Prospectus and Articles are collectively referred to as the "Eligibility Requirements".

Although the Listed Shares are required to be negotiable and transferable on the Euro MTF upon their admission to trading thereon (and trades registered thereon are not able to be cancelled by the Company), the Eligibility Requirements will nevertheless apply to any party to which Listed Shares are transferred on the Euro MTF.

The holding at any time of any Listed Shares by a Shareholder who does not satisfy the Eligibility Requirements may result in the compulsory redemption of such Listed Shares by the Company.

#### **1. Performance Fee**

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each Calculation Period and as a result, Performance Fees may be paid on unrealised gains, which may subsequently never be realised.

The Performance Fee will be calculated in respect of each period of twelve months beginning on October 1 and ending on the following 30 September (the "**Calculation Period**"). The current Calculation Period started on 1 October 2021 and will end on 30 September 2022. The first Calculation Period for any Class will be the period commencing on the Business Day immediately following the close of the relevant Initial Offer Period and ending on the next following 30 September. The Performance Fee will be calculated and accrued as at 11.59 p.m. (Luxembourg time) on the last Business Day of each month (in accordance with the methodology that applies at each Valuation Point) and at each Valuation Point as an expense of the relevant Class and will be payable to the Investment Manager not later than 14 days after the end of each Calculation Period.

For each Calculation Period, the Performance Fee is equal to a percentage (as set out in the table above) of any New Net Appreciation (defined below).

The New Net Appreciation shall equal the amount, if any, by which the Net Asset Value of the relevant Class (after accrual of all applicable costs, but prior to reduction for accrued Performance Fee) as of the end of the relevant Calculation Period exceeds the High Water Mark (defined below) (the "**New Net Appreciation**").

The High Water Mark attributable to each Class is the greater of the Net Asset Value of the relevant Class as of the most recent 30 September at which a Performance Fee was paid by such relevant Class (after reduction for the Performance Fee then paid and for the dividends paid out to the shareholders of such relevant Class in relation to the Calculation Period then ending) and if no Performance Fee has ever been paid, then the initial Net Asset Value of the relevant Class (the "**High Water Mark**" or "**HWM**").

The Net Asset Value referred to in the previous sentence shall be increased when additional subscriptions are made to the relevant Class, by an amount equal to such subscriptions and shall be reduced proportionately whenever a redemption is made from the relevant Class by being multiplied by the fraction, the numerator of which is the Net Asset Value of the relevant Class immediately after, and the denominator of which is the Net Asset Value of the relevant Class immediately prior to, such redemption (Net Asset Value of the relevant Class in each case to be calculated prior to reduction for any accrued Performance Fee).

The Performance Fee shall be crystallised on 30 September each year and paid to the Investment Manager 14 days after that date. If a redemption is made from the relevant Class as of a date other than 30 September, a Performance Fee (if accrued as of the date of such redemption) shall be crystallised in respect of the Shares being redeemed and paid to the Investment Manager 14 days after the Dealing Day (or upon termination of the Investment Management Agreement, if earlier). Crystallised Performance Fees shall remain in the relevant Class (but shall not participate in subsequent gains and losses of the relevant Class) until paid to the Investment Manager, and shall not be used or made available to satisfy redemptions or pay any fees and expenses of the relevant Class.

If the appointment of the Investment Manager is terminated during a Calculation Period the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

## 2. Performance Fee Example

The illustration below is an example of how the Performance Fee for a Share Class is calculated. The illustration makes the following assumptions:

- a 20% Performance Fee is charged on any New Net Appreciation,
- no management or other fees/expenses are included in the example

Description of Performance Fee scenario	Year/Period	Valuation Point	Gross assets under management	HWM	New Net Appreciation	Performance Fee accrual	Crystallised Performance Fee amount	Net assets under management
Share Class launch	Calculation Period-1	A	\$100	\$100	\$0	\$0	\$0	\$100
Share Class in performance prior to end of Calculation Period	Calculation Period-1	B	\$110	\$100	\$10	\$2	\$0	\$108
Share Class not in performance prior to end of Calculation Period	Calculation Period-1	C	\$90	\$100	\$0	\$0	\$0	\$90
Share Class in performance at the end of Calculation Period	Calculation Period-1	D	\$115	\$100	\$15	\$3	\$3	\$112
Share Class in performance prior to end of Calculation Period 2	Calculation Period-2	E	\$122	\$112	\$10	\$2	\$0	\$120



Share Class not in performance prior to end of Calculation Period 2	Calculation Period-2	F	\$112	\$112	\$0	\$0	\$0	\$112
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### 3. Summary of Illustration

- Share Class launched at Valuation Point A.
- At Valuation Point B the gross assets under management have risen to \$110 (\$10 in excess of the HWM of \$100) so the Performance Fee accrual is \$2 (20% of \$10). This means that the net assets at which shares are bought or sold would be \$108. The Performance Fee will not be crystallised until either the end of the performance period which is Valuation Point D or on a redemption.
- At Valuation Point C, the gross assets under management have fallen by \$20 from \$110 to \$90. This is below the HWM of \$100, so the Share Class will accrue no Performance Fee for the period from B to C. Because the Share Class has underperformed since point A, the performance accrued in B (\$2) will be reversed and the net assets under management will now be \$90.
- At Valuation Point D, the gross assets under management have risen to \$115 (\$25 increase). The HWM is still 100. Consequently, a Performance Fee will only be charged on the \$15 increase from \$100 to \$115. The Performance Fee accrual will be \$3 (20% x \$15) so the net assets under management are \$112.
- At the end of this period, as it is the end of the Calculation Period, the Performance Fee is crystallised and the new HWM is set to \$112.
- At Valuation Point E, the gross assets under management increase by \$10 to \$122. A Performance Fee is only charged on this \$10 increase, i.e. \$2 (20% x \$10) accrual. The net assets under management are \$120 (\$122 - \$2).
- At Valuation Point F, the gross assets under management decrease by \$8 to \$112. This is equal to the HWM of \$112, so the Share Class will accrue no Performance Fee for the period from E to F. The net assets under management will now be \$112.

### 4. Certain Risk Factors

Investors' attention is particularly drawn to Appendix 3 "Certain Risk Factors" on page 76 of the Prospectus and especially to the risk factors relating to Reliance on Third-Party Contributors, Reliance on Optimisation, Performance Fee Risk on page 107 and the risk factor relating to the Impact of Sustainability Risk on Returns as per Article 6 of SFDR on page 108.

**SUPPLEMENT 5: LUMYNA - MW ESG (MARKET NEUTRAL) TOPS UCITS FUND**

This Supplement contains information relating specifically to Lumyna - MW ESG (Market Neutral) TOPS UCITS Fund, a sub-fund of the Company. This Supplement forms part of and should be read in conjunction with the Prospectus.

<b>Name of Sub-Fund:</b>	Lumyna - MW ESG (Market Neutral) TOPS UCITS Fund
<b>Investment Objective:</b>	<p>The investment objective of the Sub-Fund is to seek to provide investors with consistent absolute returns primarily through investing in equities and equity related securities of global companies with a methodology that incorporates certain Environmental, Social and Governance ("ESG") factors.</p> <p>The Sub-Fund is Actively Managed, without reference to a benchmark.</p> <p>There can be no assurance that the Sub-Fund will achieve its investment objective.</p>
<b>Investment Policy:</b>	<p>In seeking to achieve the investment objective of the Sub-Fund, the Investment Manager will seek to optimize the return of the investments of the Sub-Fund, provided always that the Sub-Fund's investments meet the Investment Manager's target ESG portfolio score which is determined as described in "Investment Approach – Stage 2" below and subject to the exclusions described in "Investment Approach" below.</p> <p>The Principal Investment Manager and the Investment Manager have classified this Sub-Fund as an Article 8 fund pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").</p> <p>The Investment Manager aims to generate a well-diversified portfolio of securities in the Sub-Fund, by imposing additional investment criteria on the portfolio of the Sub-Fund. These investment criteria take the form of minimum and maximum exposure limits, which are applied at the level of the overall portfolio of the Sub-Fund. These exposure limits are selected by the Investment Manager, imposed on a number of relevant criteria and are subject to change over time. Although such limits are variable, they include a typical maximum net exposure of 15% in any one country or industry sector (measured as a percentage of the Net Asset Value of the Sub-Fund).</p> <p>In assessing a target investment's ESG score, the Investment Manager will analyse each investment for compliance with ESG criteria applied by the Investment Manager and as</p>

	<p>described in further detail below and in "Investment Approach" below.</p> <p>The assets of the Sub-Fund will be used to mainly invest systematically in equities, taking either long or synthetically short exposure, either directly (through common and preferred stock) or through equity-related instruments including Financial Derivative Instruments (as further described in Appendix 2) of companies located worldwide listed on an eligible market.</p> <p>Investment will be made on the basis of those investment ideas and scoring received from third-party contributors and other information sources selected by the TOPS ("Trade Optimised Portfolio System") investment process (described more fully in "Investment Approach" below) and to effect additional investment opportunities identified by the Investment Manager provided such investment opportunities are in line with the investment objective and investment policy of the Sub-Fund. Such additional investment opportunities may be identified by the Investment Manager from data provided by the TOPS Process (as described below) relating to companies and markets, including corporate, broker and trading data and data relating to the portfolio positioning of market participants, gathered from sources other than the third-party contributors' investment ideas and scoring which the TOPS investment process collects.</p> <p>The Sub-Fund may also invest its assets in equities and equity-related instruments of companies incorporated in, listed on a stock exchange, established in, whose principal operations are in or which have significant operations in China (including Hong Kong and Macau and Taiwan ("Chinese Companies")).</p> <p>Exposure to China A Shares will primarily be accessed either (a) through OTC swap transactions being swaps entered into with OTC swap counterparties who have (or whose affiliates have) obtained Qualified Foreign Institutional Investor ("QFII") status in China, or (b) OTC swap transactions entered into with OTC swap counterparties who have (or whose affiliates have) access to China A shares via the Shanghai Stock Exchange and Shenzhen Stock Exchange via the Hong Kong Stock Connect program ("Stock Connect"). OTC swaps may take the form of any of those swap transactions (excluding, for the avoidance of doubt, contracts for differences, which will not be invested in by the Sub-Fund) listed in that section of Appendix 2 to the Prospectus titled "Over-the-counter swaps including contracts for differences and basket/portfolio swaps".</p>
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	<p>The Sub-Fund may also invest in debt securities such as bonds, notes (including P-notes and exchange traded notes), exchange traded commodities ("ETCs") (which are listed on an eligible market, secured, undated, limited recourse debt securities and which may be issued by entities specialising in issuing specialist exchange traded products) and debt obligations or instruments of companies similar to ETCs but taking the local form necessary to their country of issue, located worldwide. Debt securities, which may be government or corporate, fixed or floating and above or below investment grade according to Standard &amp; Poor's, Fitch or Moody's or unrated, will be selected using the selection criteria more fully described in "Investment Approach".</p> <p>The Sub-Fund may invest in equities and debt securities of or issued by Chinese companies, through regulated markets. In addition, it is intended that the Sub-Fund may invest up to 5% of its net assets in securities which are listed or traded on the Moscow Exchange.</p> <p>The approach that the Investment Manager will use to implement the TOPS process will be to invest on the basis of investment ideas and scoring driven by (a) general factors such as stock and market momentum and prevailing market themes and events affecting an individual stock in particular (e.g. a merger or takeover, an earnings release, changes to the management of the issuer, or any other commercially significant event); and (b) valuation and fundamental criteria such as earnings growth and outlook for a specific stock. The resulting portfolio is expected to be liquid and diversified. When making investments on behalf of the Sub-Fund, the Investment Manager will focus on investments which will generate a return for shareholders and will not focus on any specific country or sector.</p> <p>The Investment Manager may take short positions where it believes that securities are overvalued or otherwise likely to decrease in market value, or for the purposes of hedging or controlling exposure.</p> <p>The Sub-Fund may invest a substantial portion of its net assets in Financial Derivative Instruments for investment purposes and for the purposes of hedging.</p> <p>Where the Investment Manager wishes to take short positions, it will only do so synthetically through the use of Financial Derivative Instruments as more fully described in Appendix 2, including but not limited to, total return swaps (including equity swaps), basket and portfolio swaps,</p>
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variance and volatility swaps, asset swaps, equity swaps and equity index futures, forward and options contracts, single equity futures and options, and options on equity futures, as more fully set out in Appendix 2. The Sub-Fund may take synthetic short positions in any of the asset classes set out in this Supplement.

Further information on the exposure to total return swaps can be found below under "Exposure to securities financing transactions and total return swaps".

For long exposures to equities, the Investment Manager may also utilise equity Financial Derivative Instruments where it considers that such instruments are the most appropriate or cost-effective means of accessing the relevant underlying equities. The Sub-Fund may take long and synthetically short positions over a variety of time periods in each of the asset classes referenced in the Investment Policy section achieve its investment objective, however the combination of long and short positions will never result in uncovered short positions in the Sub-Fund.

The net equity exposure of the Sub-Fund will vary according to the Investment Manager's view of market prospects. However, the Sub-Fund's net equity exposure will not normally exceed a range from 20 per cent net short to 20 per cent net long.

In addition, the Sub-Fund's assets may be invested on an ancillary basis in AAA- or Aaa-rated fixed or floating rate government debt.

The Sub-Fund may also invest:

- up to 15% of its assets in contingent convertible bonds.

In order to achieve its investment objective, the Sub-Fund may invest in (i) ADR/GDR, (ii) closed ended real estate investment trust (REITS), (iii) alternative investment markets (such as the AIM Italia or the AIM London) and (iv) structured products and securitized assets including but not limited to equity-linked notes, exchange traded notes and FX-linked notes.

Some of the Sub-Fund's assets may also be held on an ancillary basis in cash or cash equivalents (including, without limitation, via a holding in money market funds), pending reinvestment, if this is considered appropriate to the objective of maximising returns.

<p><b>Investment approach:</b></p>	<p>In selecting assets for investment by the Sub-Fund, the Investment Manager uses a process with a number of stages to determine the inclusion of securities in the Sub-Fund's portfolio as follows:</p> <p><i>Stage 1. The TOPS Process</i></p> <p>The Sub-Fund's assets will be invested systematically on the basis of those investment ideas and scoring received from third-party contributors and other information sources selected by the TOPS investment process.</p> <p>Notwithstanding the systematic nature of the TOPS Process which is described in further detail below, the Investment Manager has discretion to make additional investments (in line with the "Investment Policy" described above) identified by the Investment Manager. The Investment Manager has discretion to exploit additional investment opportunities (in line with the Investment Policy described above) identified by the Investment Manager.</p> <p>The TOPS investment process comprises a framework of proprietary applications and models which seeks to capture, appraise, optimise and act upon the investment ideas and scoring provided by third-party contributors and other external financial data providers and other information sources, and to aggregate them in a dynamic portfolio construction process. This process for selecting potential investments for the Sub-Fund involves five key elements, which are described below: investment idea or scoring collection, contributor relationship management, optimisation, risk management, and trade execution.</p> <p><i>Idea Collection</i></p> <p>The Investment Manager developed the TOPS process to capture what it considers to be the substantial and valuable information, such as research reports and market analysis, used to make investment decisions generated by investment banks and regional third party contributors, through their sales and research departments, and specialist research boutiques. In order to capture these ideas to determine these potential investments, the Investment Manager selects individual contributors with appropriate expertise from certain firms. Once selected, these individuals contribute their ideas based on the information resource of their firms to TOPS. The Investment Manager is also able to select individual contributors from buy-side firms to score specific securities.</p>
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	<p>In addition to externally-received investment ideas or scoring and other research, the Investment Manager collects large quantities of data using its proprietary systems relating to securities as potential investments for the Sub-Fund (together with their ESG characteristics) in order to assist the investment process.</p> <p><i>Contributor Relationship Management</i></p> <p>Contributor relationships are managed actively by the Investment Manager to ensure that each contributor regularly appraises the ideas they have supplied. This element of appraisal serves as additional quality control on the information gathered by the Investment Manager for the TOPS process.</p> <p><i>Optimisation</i></p> <p>The optimisation process seeks systematically to identify those ideas that can be combined in a diversified portfolio. It further ensures diversification both at the position level of the Sub-Fund's portfolio and also by theme and style. This diversification is achieved by a proprietary portfolio construction methodology that includes, without limitation, country, position size and sector targets.</p> <p><i>Risk Management</i></p> <p>Risk management is an integral part of the portfolio construction in the investment process. The primary risk management measures that are built into the portfolio construction process, at security level, are liquidity, position size, instrument volatility and directional exposure. This security level applies targets for each of the securities selected for potential investment based on these measures.</p> <p>On a portfolio level, the primary risk measures are volatility (taking into account the VaR limit of the Sub-Fund) and stock, sector, market and factor exposures (such as interest rates, currency rates, momentum indicators and valuation measures).</p> <p>Risk management is continuously monitored by the TOPS System.</p> <p><i>Trade Execution</i></p> <p>The Investment Manager manages the execution of each trade order relative to the trading volume in the relevant security in order to minimise the price impact on the</p>
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	<p>security and the cost to the portfolio, and to ensure that the costs of trading borne by the Sub-Fund are controlled.</p> <p><i>Stage 2. The ESG Filter</i></p> <p>Following the identification of securities for investment under the TOPS Process, the Investment Manager will assign a score to each investment using a proprietary process that may involve input from a number of third party data vendors. The data gathered by the Investment Manager may include (but is not limited to) information: (i) which references revenue based criteria for exposure to ESG sensitive issues; (ii) which screens securities for involvement in non-ESG compliant sectors; and (iii) which identifies companies that have an unacceptable level of business involvement in certain sectors.</p> <p>The scoring process may cause the Investment Manager to entirely exclude certain investments from the portfolio. Such exclusions may include, for example and without limitation, investments with direct exposure to cluster munitions, land mines and nuclear weapons.</p> <p>The Investment Manager may also restrict investments in securities that do not meet certain criteria, which may include, without limitation, securities deriving the majority of their direct revenue from gambling, adult entertainment, predatory lending practices or tobacco. Typically, this restriction will prohibit such securities from being held with a positive exposure, but will still allow them to be held short.</p> <p>The Investment Manager’s proprietary process will aim to maintain a positive aggregate exposure to the ESG-based score, where the aggregate exposure is calculated by summing the product of the portfolio weights and the ESG-based score. As such, a security with a negative ESG-based score may be held as a long position in the portfolio provided that all other ESG-constraints have been met. Likewise, a security with a positive ESG-based score may be held as a short position in the portfolio provided that all other ESG-constraints have been met.</p> <p>An investment’s security’s ESG score will take into account the positive or negative impact that the issuer has on the environment.</p>
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<p><b>Disclosures for the EU Sustainable Finance Disclosure Regulation:</b></p>	<p>The Investment Manager makes these disclosures for the purposes of the Sustainable Finance Disclosure Regime (SFDR) in relation to the Sub-Fund. Among other characteristics, the Sub-Fund promotes environmental characteristics (including the impact of greenhouse gas emissions) as described above in “Stage 2. The ESG Filter” of the “Investment Approach.” In order to meet the environmental and social characteristics promoted, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decision making process. The Investment Manager relies on an ESG filter, including ESG scores, to assess and monitor its investments as further described above in “Stage 2. The ESG Filter” of the “Investment Approach.” Underlying investments can also consist of assets that are not relevant to the environmental characteristics promoted by the Sub-Fund, such as hedging instruments.</p> <p>The Investment Manager is a signatory to the UK Stewardship Code 2012 (the “Code”). As a signatory to the Code the good governance practices of investee companies are assessed prior to making an investment and periodically thereafter. The Investment Manager’s Stewardship Code Disclosure can be found at <a href="https://www.mwam.com/stewardship-code-disclosure">https://www.mwam.com/stewardship-code-disclosure</a>.</p>
<p><b>Disclosure pursuant to the Taxonomy Regulations</b></p>	<p>The Sub-Fund promotes environmental characteristics but does not commit to set a minimum proportion of its assets that must be invested in investments that contribute to environmentally sustainable economic activities.</p> <p>The investments underlying this Sub-Fund which are not in taxonomy-aligned environmentally sustainable activities do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>It is however not excluded that the Sub-Fund may invest in underlying investments that contribute to climate change mitigation and/or climate change adaptation.</p>
<p><b>Investment in collective investment schemes:</b></p>	<p>The Sub-Fund will not invest more than 10% of its net assets in aggregate in the units of other UCITS or other collective investment schemes.</p>
<p><b>Global Exposure:</b></p>	<p>The "absolute" value-at-risk ("VaR") approach is the primary risk indicator used by the Investment Manager to measure global exposure, details of which are set out in Appendix 1 of the Prospectus. Under normal market conditions the</p>

	<p>VaR of the Sub-Fund is not expected to exceed 7% of the Net Asset Value of the Sub-Fund.</p> <p>Leverage will only be achieved through Financial Derivative Instruments.</p> <p>The level of leverage calculated using the sum of the notionals of the Financial Derivative Instruments utilised by the Sub-Fund will generally under normal market conditions not exceed 550% of the Net Asset Value of the Sub-Fund. The leverage figure calculated using the sum of the notionals of the Financial Derivative Instruments used does not take into account any netting and hedging arrangements that the Sub-Fund has in place at any time.</p> <p>The Sub-Fund may invest in Financial Derivative Instruments which, based on the sum of notionals, generate high leverage figures. This has the potential to magnify investment gains and losses to investors.</p>
<b>Exposure to securities financing transactions and total return swaps:</b>	<p>The Sub-Fund's gross notional exposure to total return swaps (including equity swaps) is expected to represent approximately 200% of its Net Asset Value and is not expected to exceed 450% of its Net Asset Value. In certain circumstances, these proportions may be higher. The Sub-Fund is not exposed to SFTs.</p>
<b>Valuation Point:</b>	<p>11.59 p.m. (Luxembourg time) on the Business Day immediately preceding the relevant Dealing Day.</p>
<b>Dealing Day:</b>	<p>Every Wednesday or next following Business Day if such day is not a Business Day.</p>
<b>Dealing Request Deadline:</b>	<p>09.00 a.m. (Luxembourg time) two Business Days immediately preceding the relevant Dealing Day or such other time as the Directors may determine and notify to Shareholders in advance provided always that the Dealing Request Deadline is no later than the Valuation Point.</p>
<b>Shares available:</b>	<p>Please refer to the general part of this Prospectus and <a href="http://www.lumyna.com">www.lumyna.com</a> for a description of the Shares available for this Sub-Fund.</p>

<b>Base Currency of the Sub-Fund:</b>	USD
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<b>Fees</b>	<b>A Shares</b>	<b>B Shares</b>	<b>C Shares</b>	<b>C1 Shares</b>	<b>C2 Shares</b>	<b>D Shares</b>	<b>F Shares</b>	<b>J Shares</b>	<b>X Shares</b>
<b>Management Fee</b>	1.00% p.a.	1.50% p.a.	0.60% p.a.	0.60% p.a.	N/A	2.00% p.a.	1.50% p.a.	1.00% p.a.	Up to 1.50% p.a.
<b>Performance Fee</b>	20% p.a. of outperformance above the Base Net Asset Value per Share	20% p.a. of outperformance above the Base Net Asset Value per Share	10% p.a. of outperformance above the Base Net Asset Value per Share	10% p.a. of outperformance above the Base Net Asset Value per Share	N/A	20% p.a. of outperformance above the Base Net Asset Value per Share	20% p.a. of outperformance above the Base Net Asset Value per Share	20% p.a. of outperformance above the Base Net Asset Value per Share	Up to 25% p.a. of outperformance above the Base Net Asset Value per Share
<b>Administration and Operating Fee</b>	0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.	Up to 0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.	0.26% p.a.

Subject to the provisions of the Prospectus, each subscription from any investor on each Dealing Day may be limited to a maximum amount agreed by the Board of Directors and the Investment Manager, subject to the discretion of the Investment Manager to increase or waive this limit. The status of the availability of each Class, and any applicable Minimum Subscription, Minimum Additional Subscription and maximum subscription amount from any investor on each Dealing Day may be obtained at [www.lumyna.com](http://www.lumyna.com).

## 1. Performance Fee

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

The Performance Fee in respect of each Share will be calculated in respect of each period of twelve (12) months ending on 30 September in each year (a "**Calculation Period**"). The Performance Fee shall be crystallised on 30 September each year and paid to the Investment Manager not later than 14 days after that date. The current Calculation Period started on 1 October 2021 and will end on 30 September 2022. The first Calculation Period for any Class will be the period commencing on the Business Day immediately following the close of the relevant Initial Offer Period and ending on the next following 30 September. The Performance Fee will be deemed to accrue as at each Valuation Point.

For each Calculation Period, the Performance Fee will be equal to a percentage (as set out in the table above) of the appreciation in the Net Asset Value per Share of the relevant Class during that Calculation Period above the Base Net Asset Value per Share (as defined below) of the relevant Class. No Performance Fee will be payable in respect of the C2 Shares. The Base Net Asset Value per Share is the greater of the Net Asset Value per Share of the relevant Class at the time of issue of that Share and the highest Net Asset Value per Share of that Class achieved as at the end of any previous

Calculation Period (if any) during which such Share was in issue (the “**Base Net Asset Value per Share**”). Shares which are acquired through transfer will be treated as if they were issued on the date of acquisition at the relevant Subscription Price for these purposes. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value after accrual of all applicable costs, but before deduction for any accrued Performance Fee.

The Performance Fee shall become due and payable upon the final determination by the Administrator of the Net Asset Value per Share as at the end of the relevant Calculation Period, such determination and payment not to be later than 14 days following the end of the relevant Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will crystallise and become due and payable upon the final determination by the Administrator of the Net Asset Value per Share as at the date of such redemption, such determination not to be later than 14 calendar days following the date of redemption. Unless specifically requested otherwise by the Shareholder, in the event of a partial redemption, Shares will be treated as redeemed on a first in, first out basis.

If the appointment of the Investment Manager is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

### 1.1 Adjustments

If an investor subscribes for Shares at a time when the Net Asset Value per Share of that Class is other than the Peak Net Asset Value per Share (as defined below) of the relevant Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager. The “**Peak Net Asset Value per Share**” is the greater of (i) the Initial Offer Price, and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after 30 September in any year (being the end of a Calculation Period) in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged. For these purposes Shares acquired by transfer will be treated as if they were redeemed (by the transferor) and subscribed for (by the transferee) on the date of the transfer at the relevant Subscription Price.

- (A) If Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming such number of the investor’s Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to a percentage (as set out in the table above) of any such appreciation (a “**Performance Fee Redemption**”). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee. The Sub-Fund will not be required to pay to the investor the redemption proceeds of the relevant Shares. Performance Fee Redemptions are employed to ensure that the Sub-Fund maintains a uniform Net Asset Value per Share of each Class. As regards the investor’s remaining Shares of that Class, any appreciation in the Net Asset Value per Share of those Shares above the Peak Net Asset Value per Share of that Class will be charged a Performance Fee in the normal manner described above.
- (B) If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to a

percentage (as set out in the table above) of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the Peak Net Asset Value per Share of that Class (an “**Equalisation Credit**”). At the date of subscription, the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Sub-Fund (the “**Maximum Equalisation Credit**”). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

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

At the end of each Calculation Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the prior Peak Net Asset Value per Share of the relevant Class, that portion of the Equalisation Credit equal to a percentage (as set out in the table above) of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems its Shares of that Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

## 2. Performance Fee Example

The illustration below is an example of how the Performance Fee for a Share Class is calculated. The illustration makes the following assumptions:

- a 20% Performance Fee is charged on any New Net Appreciation,
- no management or other fees/expenses are included in the example

Description of Performance Fee scenario	Year/Period	Valuation Point	Gross asset value	Equalisation	Base Net Asset Value	New Net	Performance	Crystallised Performance	Net Asset Value

			per Share	Credit/Debit	Per Share	Appreciation	Fee accrual	Fee amount	Per Share
Share Class launch	Calculation Period-1	A	\$100	-	\$100	\$0	\$0	\$0	\$100
Share Class in performance prior to end of Calculation Period	Calculation Period-1	B	\$110	-	\$100	\$10	\$2	\$0	\$108
Share Class not in performance prior to end of Calculation Period	Calculation Period-1	C	\$90	-	\$100	\$0	\$0	\$0	\$90
Share Class in performance at the end of Calculation Period	Calculation Period-1	D	\$115	-	\$100	\$15	\$3	\$3	\$112
Share Class in performance prior to end of Calculation Period 2	Calculation Period-2	E	\$122	-	\$112	\$10	\$2	\$0	\$120
Share Class not in performance prior to end of Calculation Period 2	Calculation Period-2	F	\$112	-	\$112	\$0	\$0	\$0	\$112

### 3. Summary of Illustration

- Share Class launched at Valuation Point A.
- At Valuation Point B the gross asset value per Share has risen to \$110 (\$10 in excess of the Base Net Asset Value per Share of \$100) so the Performance Fee accrual is \$2 (20% of \$10). This means that the net assets at which Shares are bought or sold would be \$108. The Performance Fee will not be crystallised until the end of the performance period which is the Valuation Point D or on a redemption.
- At Valuation Point C, the gross asset value per Share has fallen by \$20 from \$110 to \$90. This is below the Base Net Asset Value per Share of \$100, so the Share Class will accrue no Performance Fee for the period from B to C. Because the Share Class has underperformed since point A, the performance accrued in B (\$2) will be reversed and the Net Asset Value per share will now be \$90.
- At Valuation Point D, the gross asset value per Share has risen to \$115 (\$25 increase). The Base Net Asset Value per Share is still 100. Consequently, a Performance Fee will only be charged on the \$15 increase from \$100 to \$115. The Performance Fee accrual will be \$3 (20% x \$15) so the Net Asset Value per Share is \$112.
- At the end of this period, as it is the end of the Calculation Period, the Performance Fee is crystallised and the new Base Net Asset Value per Share is set to \$112.
- At Valuation Point E, the gross asset value per Share increases by \$10 to \$122. A Performance Fee is only charged on this \$10 increase, i.e. \$2 (20% x \$10) accrual. The Net Asset Value per Share is \$120 (\$122 - \$2).

- At Valuation Point F, the gross asset value per Share decreases by \$8 to \$112. This is equal to the Base Net Asset Value per Share of \$112, so the Share Class will accrue no Performance Fee for the period from E to F. The Net Asset Value per Share will now be \$112.

#### **4. Certain Risk Factors**

Investors' attention is particularly drawn to Appendix 3 "Certain Risk Factors" on page 76 of the Prospectus and especially to the risk factors relating to Reliance on Third-Party Contributors, Reliance on Optimisation and Performance Fee Risk on page 107.