

**VALLBANC INVESTMENT FUND**

SICAV

(Investment Company with Variable Capital)

Luxembourg

R.C.S. Luxembourg n° B 83079

TVA N°: LU 21656124

**Prospectus**  
**MAY 2018**

**IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR STOCKBROKER, BANK, MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

Subscriptions are not valid unless made on the basis of the Prospectus in force accompanied by the latest annual report and by the most recent semi-annual report if published after the most recent annual report. No person is authorised to give any information or make any representations about the investment company if the same is not contained in this Prospectus or in the documents referred to in this Prospectus and which can be consulted by the public.

VALLBANC INVESTMENT FUND is registered as a Part I collective investment undertaking according to the law of 17 December 2010 on "Undertakings for Collective Investments", as amended from time to time (the "**2010 Law**"). Such registration does not however imply approval or disapproval from a Luxembourg authority regarding the adequacy or exactness of this Prospectus or of the securities portfolio held by the Company.

The board of directors of the Company assumes responsibility for the exactness of the information contained in this Prospectus as of its date of issue.

Any information or statement not contained in this Prospectus or in the reports which form an integral part of this Prospectus are to be considered as unauthorised and therefore untrustworthy. In order to take into account major changes, in particular in the case of the creation of additional investment sub-funds, this Prospectus will be updated in due course. Potential subscribers are therefore advised to find out from the Company about any subsequent Prospectus that may have been published.

Upon request prospective purchasers may obtain free of charge a copy of this Prospectus, the annual and semi-annual financial reports of the Company and the Articles of Incorporation. Prospective purchasers should be provided with a Key Investor Information Document for each Class of Shares in which they wish to invest, prior to their first subscription, in compliance with applicable laws and regulations. These documents are available at the registered office of the Company. The Key Investor Information Document will be also available at:

[www.vallbanc.ad](http://www.vallbanc.ad)

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 legal and tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, conversion or redemption of the Shares of the Company.

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

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

**Distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform him/her/it-self of and to observe all applicable laws and regulations of the countries of his/her/its nationality, residence, ordinary residence or domicile. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of**

**any person in possession of this Prospectus and of any person wishing to apply for Shares to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions.**

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

### ***Generally***

The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may not get back the amount he/she/it initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and basis of, and reliefs from taxation may change. There can be no assurance that the investment objectives of any Sub-Fund will be achieved.

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus 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 in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

The singular shall include the plural and vice versa and references to one gender include any other gender.

**Investors should read and consider the section entitled "Risk Factors" before investing in the Company.**

All or part of the fees and expenses may be charged to the capital of the Company. This will have the effect of lowering the capital value of your investment.

### ***Restrictions on Distribution and Sale of Shares***

**Luxembourg** - The Company is registered pursuant to Part I of the 2010 Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

**European Union ("EU")** - The Company is a UCITS for the purposes of the UCITS Directive and the Shares are marketed in accordance with the UCITS Directive in certain member states of the EU and in countries which are not member states of the EU.

**United States of America ("US")** - The Shares have not been registered under the United States Securities Act of 1933 (the "**1933 Act**"), and the Company has not been registered under the United States Investment Company Act of 1940 (the "**1940 Act**"). The Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the United States, its territories or possessions or to US Persons (as defined hereafter) except to certain qualified U.S. institutions in reliance on certain exemptions from the registration requirements of the 1933 Act and the 1940 Act and with the consent of the Company. Neither the Shares nor any interest therein may be beneficially owned by any other US Person. The Management Regulations allow the Company to restrict the sale and transfer of Shares to US Persons and the Company may compulsorily redeem Shares held by a US Person or refuse to register any transfer to a US Person as it deems appropriate to ensure compliance with the 1933 Act and the 1940 Act or any other applicable United States legislation defining/expanding the scope of the definition of US Person (including but not limited to FATCA - For further details, please refer to section "**FATCA**").

The term "US Person" shall have the same meaning as in (i) Regulation S of the 1933 Act, as amended; (ii) as defined in CFTC rule 4.7 and/or (iii) as defined in any other applicable law, regulation or rule (including but not limited to FATCA). The Board may further define the term "US Person".

## Data Protection

The Company, the Investment Manager(s), the Management Company, the Depositary, the Administrative Agent, the Delegated Administrative Agent and the Registrar & Transfer Agent (each as defined hereafter), distributors or their delegates as data processor, as appropriate, may collect, store and process by electronic or other means the data supplied by Shareholders at the time of their subscription for the purpose of fulfilling the services required by Shareholders and complying with their legal obligations under applicable company law, anti-money laundering legislation and FATCA and CRS regulations.

The processing of data is governed in Luxembourg by the Luxembourg law of 2 August 2002 on the protection of persons regarding the processing of personal data.

The data processed include the name, address and invested amount of each Shareholder (the "**Personal Data**").

Shareholders may, at their discretion, refuse to communicate any Personal Data to the Company. In this event however the Company may reject their request for subscription for Shares in the Company.

The Company undertakes not to transfer any Personal Data to any third parties except when required by law, when necessary to process to the transactions requested or with the prior consent of the relevant Shareholder.

In particular, Personal Data supplied by Shareholders are processed for the purpose of (i) maintaining the register of Shares; (ii) processing subscriptions and redemptions of Shares and payments of dividends or interests to Shareholders; (iii) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of late trading and market timing practices. Personal Data shall never be used for marketing purposes.

Investors especially acknowledge that the Administrative Agent, the Depositary, the Delegated Administrative Agent and the Registrar & Transfer Agent of the Company may have to transmit information regarding an investor to the Luxembourg tax authorities if so required by such tax authorities in accordance with the provisions of the Luxembourg law, which may, in turn, provide information to foreign tax authorities as required notably pursuant to FATCA and CRS rules. The transfer of data to the aforementioned entities may transit via and/or be processed in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Economic Area. As a consequence, Investors consent to the processing of their information and the disclosure of their information to the parties referred to above including companies situated in countries outside of the European Economic Area which may not have the same data protection laws as in Luxembourg.

Each Shareholder is entitled to access its Personal Data and may ask for a rectification thereof in cases where such Personal Data are inaccurate and/or incomplete. Shareholders may contact the Administrative Agent and the Board in this regard.

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to any limitation periods imposed by law.

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## VALLBANC INVESTMENT FUND

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### BOARD OF DIRECTORS

Mr. Gerardo Alba Soler	Vall Banc Fons SAU (Chief Executive Officer) Avda Carlemany, 119 AD700 Escaldes-Engordany Principality of Andorra
Mr. Lluís Pérez García	Vall Banc Fons SAU (Deputy Manager) Carrer de la Unió 3, 1 AD700 Escaldes-Engordany Principality of Andorra
Mr. Sergi Pallerola Gene	Vall Banc (Chief Executive Officer, Business Area) Avda Carlemany, 119 AD700 Escaldes-Engordany Principality of Andorra

### MANAGEMENT COMPANY

Kredietrust Luxembourg S.A.  
11 rue Aldringen, L-2960 Luxembourg

#### **Board of Directors**

Mr. Vincent DECALF	Independent Director Director and Chairman
Mr. Olivier DE JAMBLINNE DE MEUX Director	Kredietrust Luxembourg S.A.
Mr. Stefan VAN GEYT	Kredietrust Luxembourg S.A. Director

#### **Conducting officers appointed by the Board of Directors**

Mr. Stefan VAN GEYT  
Mr. Aurélien BARON  
Mrs. Kristel COOLS

### REGISTERED OFFICE

11, rue Aldringen, L - 1118 Luxembourg

**DOMICILIARY, REGISTRAR, TRANSFER AGENT AND ADMINISTRATIVE AGENT**

Kredietrust Luxembourg S.A.  
11, rue Aldringen, L - 2960 Luxembourg

With delegation to:

**DELEGATED REGISTRAR, TRANSFER AGENT AND ADMINISTRATIVE AGENT**

European Fund Administration  
2 rue d'Alsace - P.O. Box 1725, L-1017 Luxembourg

**DEPOSITARY AND PAYING AGENT**

KBL European Private Bankers S.A.  
43, Boulevard Royal, L - 2955 Luxembourg

**STATUTORY AUDITOR**

DELOITTE AUDIT S.à.r.l.  
560, rue de Neudorf, L-2220 Luxembourg

## DEFINITIONS

<b>2010 Law</b>	The Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended from time to time
<b>Administrative Agent</b>	Kredietrust Luxembourg S.A., acting as administrative agent, registrar and transfer agent and domiciliary agent of the Company.
<b>Articles</b>	The articles of incorporation of the Company as amended from time to time
<b>Board or Board of Directors</b>	The board of directors of the Company
<b>Business Day</b>	A full day on which banks are open for business in Luxembourg unless otherwise defined for a Sub-Fund in Part II “ <i>Specific Information relating to Sub-Funds</i> ”
<b>Calculation Day</b>	Unless otherwise provided for in the Sub-Fund's details in Part II “ <i>Specific Information relating to Sub-Funds</i> ”, a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value per Share of the relevant Sub-Fund and such other day as the Directors may decide from time to time
<b>Capitalization Shares</b>	Shares which capitalize their income so that the income is included in the price of the shares
<b>Company</b>	VALLBANC INVESTMENT FUND
<b>CSSF</b>	Commission de Surveillance du Secteur Financier
<b>Delegated Agent</b>	<b>Administrative</b> European Fund Administration acting as delegated administrative agent, registrar and transfer agent of the Company
<b>Depository</b>	KBL European Private Bankers S.A., acting as depository bank
<b>Distribution Shares</b>	Shares which distribute their income
<b>EU</b>	European Union
<b>Euro(s) or EUR</b>	The Euro, official currency of the European Union
<b>Initial Subscription Period</b>	The period during which Shares in relation to a Sub-Fund may be subscribed at the Initial Issue Price, as specified in the relevant Supplement
<b>Initial Issue Price</b>	The price at which Shares may be subscribed to during the Initial Subscription Period of each Sub-Fund, as provided for in the relevant Supplement
<b>Investment Management Fee</b>	The fee which is paid by the Sub-Fund to meet the costs of investment management, if any
<b>Investment Manager</b>	Any investment manager appointed from time to time by the Management Company to manage a Sub-Fund
<b>KIID</b>	Key investor information document in connection with the Prospectus
<b>Management Company</b>	Kredietrust Luxembourg S.A., as management company of the Company



<b>Management Fee</b>	The fee payable to the Management Company to meet the administrative and operating costs of the Company
<b>Member State</b>	A State which is a member of the European Union
<b>Net Asset Value per Share</b>	The value per Share of any Share Class determined in accordance with the relevant provisions described under the Section " <i>Net Asset Value</i> "
<b>Net Asset Value or NAV</b>	The net asset value of the Company, each Class and each Share as determined pursuant to the Section " <i>Net Asset Value</i> "
<b>OTC Derivatives</b>	Financial derivative instruments dealt in over-the-counter
<b>Other Market</b>	Any other market which is regulated, operates regularly and is recognised and open to the public
<b>Regulated Market</b>	A market in the meaning of directive 2004/39/EC of 21 April 2004 on markets in financial instruments
<b>RESA</b>	The Luxembourg Registre Electronique des Sociétés et Associations (electronic register of companies and associations), replacing the Mémorial as of 1 June 2016
<b>Share Class</b>	A class of Shares with a specific fee structure or other distinctive features
<b>Share</b>	A share of no par value in any one Share Class in the capital of the Company
<b>Shareholder</b>	A holder of Share(s)
<b>Sub-Fund</b>	A separate portfolio of assets for which a specific investment policy applies and to which specific liabilities, income and expenditure will be applied. The assets of a Sub-Fund are exclusively available to satisfy the rights of shareholders in relation to that Sub-Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Sub-Fund
<b>Subscription Price</b>	The Net Asset Value per Share, as calculated as of the relevant Valuation Day, plus any subscription fee, if applicable.
<b>Supplement</b>	A supplement under Part II to this Prospectus containing information with respect to a particular Sub-Fund.
<b>UCITS</b>	An "undertaking for collective investment in transferable securities" within the meaning of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended from time to time
<b>UCITS Directive</b>	Means 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 investment in transferable securities as amended by Directive 2014/91/EU of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions.
<b>UCI</b>	An "other undertaking for collective Investment" within the meaning of UCITS Directive

**USD**

United States Dollar, the official currency of the United States of America

**Valuation Day**

Any day which is designated by the Directors as being a day by reference to which the assets of the relevant Sub-Funds shall be valued in accordance with the Articles, as further disclosed in Part II for the relevant Sub-Fund

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

## INTRODUCTION

VALLBANC INVESTMENT FUND is an investment company with variable capital incorporated pursuant to the 2010 Law.

The Company's object is to offer to its shareholders the possibility to invest in a portfolio aiming to capital growth through investment in transferable securities.

The Company offers to its shareholders a variety of sub-funds, each having different investment objectives as described in Part II "*Specific Information relating to Sub-Funds*".

The Board of Directors may at any time, in accordance with this Prospectus and with the Articles, issue additional Sub-Funds, whose investment objectives and policy may differ from those of the existing Sub-Funds.

Upon the creation of new Sub-Funds, the Prospectus will be amended and updated with specific information regarding the new Sub-Fund.

The capital of the Company is represented by Shares of no par value and should be equal at all times to the net assets of all Sub-Funds aggregated together, with a minimum of EUR 1,250,000.-.

The Company may redeem its Shares at a price based on the Net Asset Value per Share.

The issue, redemption and conversion of Shares will be made at the calculated Net Asset Value per Share.

The clauses of the present prospectus applicable to a specific Sub-Fund should also apply *mutatis mutandis* to the classes and categories of Shares of the same Sub-Fund.

Any Shareholder may request the conversion of all or part of the shares he holds into Shares of another Sub-Fund.

The assets of a Sub-Fund are only liable for the debts and obligations pertaining to that Sub-Fund.

## **PART I – GENERAL INFORMATION IN RELATION TO THE COMPANY**

### **I. THE COMPANY**

The Company was incorporated as a variable capital investment company under the name of VALLBANC INVESTMENT FUND on July 24<sup>th</sup>, 2001 for an unlimited period.

The initial capital at the time of incorporation was EUR 35,000.- divided into 350.- shares of the Sub-Fund VALLBANC INVESTMENT FUND – Iberian Equities.

Its Articles were filed with the Registrar of the District Court of Luxembourg and published in the *Mémorial C Recueil des Sociétés et Associations* on August 30<sup>th</sup>, 2001.

The Company is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 83.079.

### **II. INVESTMENT OBJECTIVES AND POLICY**

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

The Articles empower the Board of Directors to determine the investment policy of each Sub-Fund.

Each Sub-Fund is managed in accordance with its investment policy considering the investment restrictions (refer to section IV “Investment Restrictions”) and using investment techniques and instruments (refer to section V “Financial Instruments and Techniques”).

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

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

### III. RISK WARNINGS

Since the value of the Shares in a Sub-Fund depends on the performance of the underlying investments, which are subject to market fluctuations, no assurance can be given that the investment objective of the Sub-Funds will be achieved and that the amounts invested can be returned to the investor upon redemption of the Shares.

**An investment in Shares in a Sub-Fund carries substantial risk and is suitable only for investors who accept the risks, can assume the risk of losing their entire investment and who understand that there is no recourse other than to the assets of the relevant Sub-Fund.**

Investors should make their own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved in investment in a Sub-Fund and its suitability for their own purposes. In evaluating the merits and suitability of an investment in a Sub-Fund, careful consideration should be given to all of the risks attached to investing in a Sub-Fund.

The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Prospectus. The following does not purport to be a comprehensive summary of all the risks associated with investments in any Sub-Fund.

#### **General Risks:**

##### **International Investing**

Investments on an international basis involve certain risks, including:

- The value of the assets of a Sub-Fund may be affected by uncertainties such as changes in government policies, taxation, fluctuations in foreign exchange rates, the imposition of currency repatriation restrictions, social and religious instability, political, economic or other developments in the law or regulations of the countries in which a Sub-Fund may invest and, in particular, by changes in legislation relating to the level of foreign ownership in the countries in which a Sub-Fund may invest.
- Accounting auditing and financial standards, practices and disclosure requirements applicable to some countries in which a Sub-Fund may invest may differ from those applicable in Luxembourg in that less information is available to investors and such information may be out of date.
- A Sub-Fund's assets may be invested in securities denominated in currencies other than the base currency of the Sub-Fund (details for each Sub-Fund are set out in the relevant Supplement), and any income from these investments will be received in those currencies, some of which may fall against the base currency of the Sub-Fund. A Sub-Fund will compute its net asset value and make any distributions its base currency. Therefore, there may be a full currency exchange risk which may affect the value of the units and the income distributions paid by a Sub-Fund.

##### **Interest Rate Risk**

The Sub-Funds that invest in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

##### **Credit Risk**

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

**Market Risk**

The risk that the value of the relevant Sub-Fund's investments will fall as a result of movements in financial markets generally.

**Management Risk**

The risk that the relevant Sub-Fund's investment techniques will be unsuccessful and may cause the Sub-Fund to incur losses.

**Efficient Portfolio Management Techniques and Instruments**

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for efficient portfolio management purposes including, but not limited to, those described below. However, should the Investment Manager's expectations in employing such techniques and instruments be incorrect, a Sub-Fund may suffer a substantial loss, having an adverse effect on the net asset value of the Shares.

**Inflation risk**

Inflation risk is understood to be the risk of suffering financial losses as a result of devaluation. Inflation can lead to a reduction in the income of a Sub-Fund and the value of the fund as such in terms of purchasing power. Different currencies are subject to the inflation risk to varying degrees.

**Settlement risk**

Especially when investing in unlisted securities, there is a risk that the settlement is not executed as expected by a transfer system due to delayed or non-compliant payment or delivery.

**Risk of suspension of redemption**

Shareholders may in principle request the redemption of their Shares from the Company on each Valuation Day. However, the Company can temporarily suspend the redemption of Shares in exceptional circumstances and then redeem the Shares at a later date at the applicable price. This price may be lower than the price before suspension of redemption.

**Effects of redemptions**

Large redemptions of Shares within a limited period of time could require the Company to liquidate positions more rapidly than would otherwise be desirable, adversely affecting the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time over which redemptions occur, the resulting reduction in a Sub-Fund's net asset value could make it more difficult for the Investment Manager to generate profits or recover losses.

**Commission and fee(s) amounts**

The payment of a fee calculated on the basis of performance results (if any) could encourage the Investment Manager (if any) to select more risky and volatile placements than if such fees were not applicable.

**Custody risk**

Investors may enjoy a degree of protection when investing money with custodians in their home territory. This level of protection may be higher than that enjoyed by the Company. The Company may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Company that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depositary will have no liability. A Company's cash account will be maintained on the Depositary's records, but the balances may be held by a sub-custodian and therefore exposed to the risk of default of both the Depositary and the sub-custodian.

**Tax considerations**

Tax charges and withholding taxes in various jurisdictions in which the Company will invest will affect the level of distributions made to it and accordingly to Shareholders. No assurance can be given as to

(i) the level of taxation suffered by the Company or its investments, (ii) the Company's ability to recover any taxes or withheld amounts, (iii) the time required to recover such amounts.

#### **Risk related to FATCA**

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by the Shareholders concerned may be adversely impacted to a significant extent.

#### **Risk related to Common Reporting Standard**

For exchange of information purpose, Shareholders are informed that their personal and account information (the Information as described in the Common Reporting Section) may be reported to the relevant tax authorities.

Any Shareholder that fails to comply with the Company's information or documentation requests may be held liable for penalties imposed on the Shareholders and attributable to such Shareholders' failure to provide the information or subject to disclosure of the information by the Shareholders to the Luxembourg tax authorities. In addition, as the case may be, the Shareholders may redeem Shares held such Shareholders.

#### **Changes in applicable law**

The Board must comply with various regulatory and legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Company, the regulatory and legal requirements to which the Company and its Shareholders may be subject, to could differ materially from current requirements.

#### **Risk related to a Eurozone breakup event**

Certain Sub-Funds may invest substantially in Europe. Potential scenarios could include, among other things, the downgrading of the credit rating of European countries, the default or bankruptcy of one or more sovereigns within the Eurozone, the departure of some, or all, relevant EU Member States from the Eurozone, or any combination of the above alongside other economic or political events. This could lead the Euro to no longer being a recognised trading currency. This in turn could cause uncertainty as to the operation of certain terms of agreements that are governed by the law of an existing EU Member States, potentially requiring the redenomination of some or all Euro-denominated sovereign debt, corporate debt and securities leading to increased legal and operational risks. In addition, there could also be an increase in volatility, liquidity and currency risks associated with investments in Europe and the Sub-Funds could be adversely affected by any or all of the above factors, with other additional unintended consequences.

#### **Risks pertaining to the Company:**

##### **Issuers**

The ability of some issuers to repay principal and interest may be uncertain and there is no assurance that any particular issuer(s) will not default.

Investments in unrated corporate securities normally have a higher risk than investments in governmental or bank debt securities.

##### **Investing in Equity Securities**

Investing in equity securities may offer a higher rate of return than those in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Accordingly, no assurance can be given that a Shareholder will recover the full amount invested in equity

securities. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

### **Investment in Debt Securities / Fixed Income Securities**

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

Investments in debt securities may include investments in debt securities paying principal or interest, the amount of which is determined by reference to equity indices, variation of currency exchange rates, variation or differences between interest rates, insurance losses, credit risk, etc. and may therefore be subject to a higher volatility or risk other than interest rate risk.

The net asset value of the shares of the Sub-Funds invested in fixed income securities may change in response to fluctuations in interest rates and currency exchange rates.

### **Investment in warrants on transferable securities**

Potential investors should note that warrants on transferable securities, although expected to provide higher returns than shares due to their high leverage, are subject to volatility in their price and subsequent greater risk of loss. Moreover, these instruments can lose their entire value.

Each Sub-Fund may use secondarily financial techniques and instruments within the limits laid down in the section III "Financial Techniques and Instruments".

The total exposure resulting from these transactions may at no time exceed the value of the net assets of the relevant Sub-Fund.

Each Sub-Fund may contract futures and options on transferable securities and rate instruments traded on a regulated market, which functions regularly and is recognised and open to the public or traded on OTC markets.

Each Sub-Fund of the Company may also buy or sell forward contracts, currency options and any type of currency instrument either with a view to hedging or to increasing its exposure in a given currency.

### **Investments in emerging markets**

Potential investors are advised that investing in equities issued by emerging markets companies involve risks which are not generally encountered on the majority of western European or North American or other mature markets. These risks are of the following type:

Political: including political instability and volatility; Economic: including high rates of inflation, risks linked to investments in recently privatised companies and currency depreciation, immature financial markets; Monetary: there is a risk of local currency devaluation due to certain unstable political and economic factors in the countries concerned; Legal: legal insecurity and general problems in having rights recognised or enforced; Fiscal: in certain countries fiscal charges can be very high and there is no guarantee of uniform and coherent interpretation of legal texts. Local authorities often have discretionary power to create new taxes, sometimes with retroactive effect.

This results in increased volatility and lack of liquidity in investments while the stock capitalisation of these countries is weaker than on mature markets.

### **Value of Shares**

The value of Shares and the return derived from them can fluctuate. Furthermore, potential investors should be aware that redemptions of Shares may be subject to limitations or suspension in certain circumstances described in Chapter "Temporary Suspension of The Net Asset Value".

### **Potential Conflicts of Interest**

In the course of their business, the Investment Manager (if any), the Investment Adviser (if any) and sub-investment manager(s) if any may have potential conflicts of interest with the Company. They may, for example, make investments for other clients (including other investment funds they manage or advise) or on their own behalf without making the same available to the Company. They will, in such event, have



regard to their obligations under the agreements pursuant to which they are appointed and, in particular, to their obligations to act in the best interests of the Company, so far as practicable having regard to their obligations to other clients when undertaking any investments where potential conflicts of interest may arise.

The Investment Manager (if any) will not, in relation to any investment or proposed investment of the Company, deal with the Company as principal or representative, except in circumstances where it is able to show that the terms of the operation are no less beneficial to the Company than they would be according to the “at arm’s length” principle, or, if the circumstances do not make it practicable to show that, where the Board of Directors gives its consent.

## **Risks of Investing in Investment Funds**

### Investment management fees

When investing in Shares of the Company which in turn invests in securities issued by investment funds, Shareholders will incur the costs for investment management services and the fees and expenses paid by the Company to its service providers, as well as fees and expenses paid by the investment funds to their service providers. These costs may in aggregate be higher than if the Sub-Fund had invested directly in equity and debt securities. Where investment funds invest in other collective investment vehicles, there may be further levels of fees and expenses. This will however not apply should any Sub-fund invest in investment funds, managed by the Investment Manager(s) of the Company.

### Valuation Risk

The method by which the Net Asset Value per Share of each Class in each Sub-Fund is calculated assumes that the Company is able to value its holdings in investment funds. In valuing those holdings, the Company will need to rely on financial information provided by external sources including the investment funds themselves. Independent valuation sources such as exchange listing may not be readily available for investment funds.

The holdings in investment funds are valued on the basis of the last official net asset value of the underlying investment funds known at the time of calculating the Net Asset Value, which may not necessarily correspond with the actual net asset value on the relevant date. However the Company shall not make retroactive adjustments in the Net Asset Value previously used for subscriptions, conversions and redemptions. Such transactions are final and binding notwithstanding any different later determinations (save in exceptional circumstances as provided for in the Articles).

### Currency Risk

The rate of exchange between various currencies is a direct consequence of supply and demand factors as well as relative interest rates in each country, which are in turn materially influenced by inflation and the general outlook for economic growth. The investment return, expressed in the investor’s domestic currency terms, may be positively or negatively impacted by the relative movement in the exchange rate of the investor’s domestic currency unit and the currency units in which the Sub-Fund’s investments are made. Investors are reminded that the Sub-Fund may have multiple currency exposure.

### Hedging Risk

The Investment Manager(s) may, if set out in the relevant sections of the relevant Part II, enter into certain transactions using futures, forwards or other exchange-traded or over-the-counter instruments or by the purchasing of securities (“Hedging transactions”) to hedge the Sub-Fund’s exposure to foreign exchange risk where Classes of Shares are denominated in a currency other than Base Currency and/or certain other exposures including the risk of the value of a Class of Shares, or any increase thereto, being reduced by inflation in the underlying currency of the relevant Class.

Hedging transactions, while potentially reducing the risk of currency and inflation exposure which a Class of Shares may otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty. There is no guarantee that a Hedging Transaction will fully protect a Class of Shares against foreign exchange and/or inflation risks.

#### Fluctuating Market Values

The market value of an investment represented by an investment fund in which the Sub-Funds of the Company invest, may be affected by fluctuations in the currency of the country where such investment fund invests, by foreign exchange rules, or by the application of the various tax laws of the relevant countries (including withholding taxes), government changes or variations of the monetary and economic policy of the relevant countries.

### **Derivatives**

The use of derivatives may be an advantage. When using these derivatives the Company will always apply the principle of prudence and efficient management of the Sub-Fund.

On the other hand derivatives may also involve different risks, in some cases higher ones, to those linked to traditional investments, such as:

#### Market Risk

Market Risk applies to all types of investment, given that the use of derivatives requires not only an understanding of the basic instruments but also the derivatives themselves, without creating the possibility to observe the performance of derivatives in all possible market conditions;

#### Credit Risk

There is credit risk if another party taking the derivative does not observe the stipulations of the derivative. The credit risk for derivatives which are traded on the stock exchange is generally less than the risk for derivatives traded OTC because the clearing house acting as issuer or counterparty for each derivative traded on a stock exchange endorses the performance guarantee. To reduce the overall risk of loss, this guarantee is backed by a daily payment system (i.e. hedging demands) run by the clearing house. There is no guarantee comparable to that of the clearing house for derivatives traded OTC and the Company must take into account the solvency of each counterparty for a derivative traded OTC when estimating the potential credit risk;

#### Liquidity Risks

Certain instruments are difficult to buy or sell. If the derivative transactions are particularly large or if the corresponding market is not liquid (as it is the case for many derivatives traded OTC), the transactions cannot be carried out where a position cannot be realised at a favourable rate;

#### Risk of determining the rate or valuation of derivatives

The risk resulting from the imperfect correlation between derivatives and their assets, interest rates and underlying indices. Many derivatives are complex and are often valued in a subjective way. Inadequate valuations may lead to higher transfers of clearing prices to counterparts or to a loss of value for the Company. Derivatives are not always directly linked or parallel to the value of the assets, interest rates or indices from which they are derived. This is why recourse to derivatives is not always an efficient way to achieve the company's investment objective and may sometimes even have the opposite effect;

#### Counterparty Risk

Also known as "default risk", it is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk as a risk to both parties and should be considered

when evaluating a contract. The SICAV is exposed to counter party risk when entering into Over the Counter ("OTC") derivatives contracts or into cash deposits.

**The above list of risk factors does not purport to be a complete explanation of the risks involved in investing in any Sub-Fund or the markets in which the relevant Sub-Fund will trade.**

#### **IV. INVESTMENT RESTRICTIONS**

##### **1. Eligible Assets**

1.1. The investments of the Company must consist solely of:

- a) transferable securities and money market instruments admitted to or dealt in on a Regulated Market ;
- b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognised and open to the public ;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or dealt in an another market in a non-Member State which is regulated, operates regularly and is recognised and open to the public;
- d) recently issued transferable securities and money market instruments, provided that :
  - the terms of issue include an undertaking whose application will be made for admission to official listing on a stock exchange or on another regulated market which operates regularly and is recognised and open to the public;
  - such admission is secured within one year of issue;
- e) shares or units of UCITS authorised according to Directive 2009/65/EC and/or other UCIs within the meaning of Article 1, paragraph (2), points a) and b) of the Directive 2009/65/EC, whether situated in a Member State or not, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for unitholders or shareholders in such other UCIs is equivalent to that provided for unitholders or 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 Directive 2009/65/EC;
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10 % of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- f) deposits with credit institutions 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 Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs a), b) and c) above, and/or OTC Derivatives, provided that:
  - the underlying consists of instruments covered by this Section, paragraph 1.1, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives as stated in the Articles,
  - the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and
  - the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Company; such valuation method will be approved by the auditors.

- h) money market instruments other than those dealt in on a Regulated Market and which fall under Article 1 of the 2010 Law, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong or,
  - issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs (a), (b) or (c) above, or
  - issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by community law, or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euros (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

1.2. However:

- a) the Company may invest no more than 10% to the assets of each Sub-Fund in transferable securities and money market instruments other than those referred to in paragraph 1.1 a) though d) and h);
- b) the Company may acquire movable and immovable property which is essential for the direct pursuit of its business;
- c) the Company may not acquire either precious metals or certificates representing them.

1.3. The Company may hold ancillary liquid assets.

## 2. Risk Management

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

Under no circumstances shall these operations cause the Company to diverge from its investment objectives as laid down in its management regulations, constitutional documents or prospectus.

The Company shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

Each of the Company's sub-fund's overall exposure to derivatives is calculated using the commitment method laid down in CSSF circular 11/512.

The total net commitment of each sub-fund in the Company to derivatives is limited to 100% of the total net portfolio value of the said sub-fund.

### **3. Restrictions on transferable securities and money market instruments**

3.1. The Company may invest no more than 10 % of the assets of each Sub-Fund in transferable securities or money market instruments issued by the same body. The Company may not invest more than 20 % of the assets of each Sub-Fund in deposits made with the same body. The risk exposure to a counterparty of the Company in an OTC derivative transaction may not exceed 10 % of the assets of each class of shares when the counterparty is a credit institution referred to in Section 1, paragraph 1.1 f) or 5 % of the assets of each Sub-Fund in other cases.

3.2. The total value of the transferable securities and money market instruments held by the Company in the issuing bodies in each of which it invests more than 5 % of the assets of each Sub-Fund must not exceed 40 % of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervisions.

Notwithstanding the individual limits laid down in paragraph 3.1, the Company may not combine:

- Investments in transferable securities or money market instruments issued by a single body;
- Deposits made with a single body, and/or
- Exposures arising from OTC derivative transactions undertaken with a single body, in excess of 20 % of the assets of each Sub-Fund.

3.3. The limit laid down in the first sentence of paragraph 3.1 may be of a maximum of 35 % if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members.

3.4. The limit laid down in the first sentence of paragraph 3.1. may be of a maximum of 25 % for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the European Union and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If the Company invests more than 5 % of the assets of each Sub-Fund in the bonds referred to in the first sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80 % of the value of the assets of the Sub-Fund.

3.5. The transferable securities and money market instruments referred to in paragraphs 3.3. and 3.4 are not included in the calculation of the limit of 40 % referred to in paragraph 3.2.

The limits set out in paragraphs 3.1, 3.2., 3.3. and 3.4. may not be combined, and thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with paragraphs 3.1., 3.2., 3.3. and 3.4. may not exceed a total of 35 % of the assets of each Sub-Fund.

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

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

#### **4. Governmental and other public authorities issuers**

**The Company is authorised to invest in accordance with the principle of risk-spreading up to 100 % of the assets of each Sub-Fund in different transferable securities and money market instruments issued or guaranteed by any Member State of the European Union, its public territorial bodies, by a Member State of the OECD, Brazil, Singapore or by international bodies of a public character of which one or more Member States are members.**

**The Sub-Fund must hold securities from at least six different issues, but securities from any one issue may not account for more than 30 % of the total assets.**

#### **5. UCITS and UCIs issuers**

5.1. The Company may acquire the units or shares of UCITS and/or other UCIs referred to in Section I, paragraph 1.1. e), provided that no more than 20 % of the assets of each Sub-Fund are invested in the units or shares of a single UCITS or other UCI.

Each Sub-Fund of a UCI with multiple classes of shares is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various classes of shares vis-à-vis third parties is ensured.

5.2. Investments made in units or shares of UCIs other than UCITS may not in aggregate exceed 30 % of the assets of each Sub-Fund.

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

#### **6. Further restrictions**

6.1. The Company may not acquire any shares carrying voting rights, which would enable it to exercise significant influence over the management of an issuing body.

6.2. Moreover, the Company may acquire no more than:

- a) 10 % of the non-voting shares of the same issuer;
- b) 10 % of the debt securities of the same issuer;
- c) 25 % of the units or shares of the same UCITS and/or other UCI;
- d) 10 % of the money market instruments of any single issuer.

The limits laid down in paragraphs 6.2. b) through d) above may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the money market instruments or the net amount of the instruments in issued cannot be calculated.

6.3. Paragraphs 6.1 and 6.2 are waived as regards to :

- a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- b) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- c) transferable securities and money market instruments issued by a public international body of which one or more Member States are members;
- d) shares held by the Company in the capital of a company incorporated in a non-Member State which invests mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company incorporated in the non-Member State complies with the limits laid down in Articles 43 and 46 and Article 48, paragraphs (1) and (2) of the 2010 Law. Where the limits set forth in Articles 43 and 46 of the 2010 Law are exceeded, Article 49 of the 2010 Law shall apply *mutatis mutandis*;

- e) shares held by one or more investment companies in the capital of subsidiary companies which, exclusively on its or their behalf carry on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of shares at the request of shareholders.

## **7. Borrowing limits**

- 7.1. The Company may not borrow, except that the Company may acquire foreign currency by means of a back-to-back loan.
- 7.2. By way of derogation to paragraph 7.1., the Company may borrow the equivalent of:
  - a) up to 10 % of the assets of each Sub-Fund provided that the borrowing is on a temporary basis in order to be able to pay redemption proceeds;
  - b) up to 10 % of the assets of each Sub-Fund in the case of investment company provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of their business; in this case, these borrowings and those referred to in sub-paragraph 7.2. a) may not in any case in total exceed 15 % of the assets of each Sub-Fund.

## **8. Loans or Guarantees**

- 8.1. The Company may not grant loans to or act as guarantor for third parties.
- 8.2. Paragraph 8.1. shall not prevent the Company from acquiring transferable securities or money market instruments or other financial instruments referred to in Section I, paragraph 1.1. e), g) and h) which are not fully paid.

## **9. Uncovered Sales**

The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in Section I, paragraph 1.1. e), g) and h).

## **10. Miscellaneous**

The Company may from time to time impose further investment restrictions as shall be compatible with, or in the interests of the Shareholders, in order to comply with the laws and regulations of the countries in which the Shares are distributed.

The restrictions set forth above shall apply only at the time an investment is made. If the restrictions are exceeded as a result of any event other than the making of an investment, the situation shall be remedied, taking due account of the interests of the Shareholders.



## V. FINANCIAL INSTRUMENTS AND TECHNIQUES

The Company is authorized for each Sub-Fund to:

- use efficient portfolio management techniques and instruments relating to transferable securities; and
- employ techniques and instruments intended to provide protection against exchange risks in the context of the management of their assets and liabilities.

For purposes of efficient portfolio management, the Company may engage in transactions relating to:

- options on transferable securities;
- forward contracts on financial instruments and options on such agreements;
- securities lending and borrowing repurchase agreement.

(together the “EPMT”)

### 1. Financial Futures, Options and Contract For Difference on transferable securities, currencies or financial instruments

To ensure that the portfolio is managed effectively and for hedging purposes, the Company may buy and sell call and put options, futures contracts and CFDs (Contract For Difference) involving transferable securities, currencies or any other type of financial instrument, provided that these derivative instruments are traded on a regulated market, operating regularly, that is recognized and open to the public, on the understanding, however, that these derivative instruments may also be traded over-the-counter (OTC), provided they are contracted with leading financial institutions subject to prudential supervision in accordance with criteria defined by community law specializing in this type of transaction.

#### 1.1. Hedging of Market Risks

As a global hedge against the risk of unfavourable stock market movements, the Company may sell stock index futures and call options on stock indices or purchase put options thereon. The objective of these hedging operations assumes that a sufficient correlation exists between the composition of the index used and the Company's portfolio. In principle, the total commitment resulting from futures contracts and stock index options may not exceed the aggregate estimated market value of the securities held by the Company in the corresponding market.

#### 1.2. Hedging of Interest Rate Risks

As a global hedge against interest rate fluctuations, the Company may sell interest rate futures contracts. For the same purpose, it can also write call options or purchase put options on interest rates or enter into interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of operations. In principle the total commitment on futures contracts, options and swap contracts may not exceed the aggregate estimated market value of the assets to be hedged and held by the Company in the currency corresponding to those contracts.

#### 1.3. Hedging of Currency Risks

In order to protect its assets against the fluctuation of currencies, the Company may enter into transactions the purpose of which is the sale of currency futures contracts, sale of call options or the purchase of put options in respect of currencies. The transactions referred to herein may only concern contracts which are traded on a regulated market, operating regularly, recognised and open to the public.

For the same purpose the Company may also sell currencies forward or exchange currencies on a mutual agreement basis with first class financial institutions specialising in this type of transactions.

The hedging objective of the transactions referred to above presupposes the existence of a direct relationship between these transactions and the assets which are being hedged and implies that, in principle, transactions in a given currency cannot exceed the total valuation of assets denominated in that currency nor may the duration of these transactions exceed the period for which the respective assets are held.

## **2. Securities Lending and Borrowing**

The Company may engage in securities lending transactions either directly or through a standardised lending system organised by a recognised clearing institution or by a financial institution specialising in this type of transaction and subject to prudential supervision rules which are considered by the CSSF as equivalent to those provided by EU law, in exchange for a securities lending fee. The Company must be able to recall any security lent or to terminate the securities lending agreement.

The Company may pay fees to third parties for services in arranging such loans, as such persons may or may not be affiliated with the Company, or any investment manager as permitted by applicable securities and banking law. Information relating to the identity of these third parties and to the revenues arising from and the direct and indirect operational costs and fees incurred in relation to securities lending transactions shall be disclosed in the annual reports of the Company.

The principal risk when lending securities is that the borrower might become insolvent or refuse to honour its obligations to return the securities. In this event, the Company could experience delays in recovering its securities and may possibly incur a capital loss. The Company may also incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received from a securities lending counterparty. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Company to the securities lending counterparty at the conclusion of the securities lending contract. The Company would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Company.

## **3. Repurchase Agreements and Reverse Repurchase Agreements**

The Company may enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement.

The Company can act either as purchaser or seller in repurchase agreement transactions or a series of continuing repurchase transactions, subject however to the following rules:

- 1) the counterparty in such transactions is a first class financial institution specialising in this type of transaction subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law;
- 2) during the life of a repurchase agreement contract, the Company cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired, except to the extent the Company has other means of coverage;
- 3) the Company shall ensure that it is able at any time (i) in respect of reverse repurchase agreement, to recall the full amount of cash or to terminate the agreement on either an accrued basis or mark to market basis; and (ii) in respect of repurchase agreement to recall the securities subject to the agreement or to terminate the repurchase agreement; and
- 4) as the Company is exposed to redemptions of its own Shares, it must take care to ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemption obligations.

## **4. Direct and indirect operational costs and Fees**

The Company may encounter direct or indirect operational costs and fees arising from the use of the techniques described above. Such cost or fees may be calculated as a percentage of gross revenues earned by the Company through the use of these techniques. Information relating to the identity of any third party to which the direct or indirect costs and fees are paid shall be disclosed in the annual reports of the Company.

## **5. Collateral Policy For OTC Derivative Transactions And Efficient Portfolio Management Techniques**

To limit the counterparty risks linked to OTC Derivatives transactions and efficient portfolio management techniques, the Company must require that their counterparties grant and maintain during the lifetime of the transaction, collateral which complies with the requirements of this clause 5.

### **5.1. Level and valuation of collateral**

**Level:** the collateral received by the Company must represent at any time, during the lifetime of the agreement, at least 100% of the total value of the securities lent or sold under repurchase agreement or OTC Derivatives transactions.

**Valuation:** The amount of collateral is valued daily to ensure that this level is maintained. The valuation of collateral is based on the available stock market prices taking into account the appropriate haircut policy applied by the Company.

### **5.2. Permitted collateral**

The assets eligible as collateral are (i) liquid assets (ii) bonds issued by supranational issuers and agencies rated at least AA by Standard & Poor's (S&P) or the equivalent, (iii) sovereign bonds issued by OECD member states rated at least A by S&P or the equivalent, (iv) corporate bonds rated at least A by S&P or the equivalent.

In addition, collateral received should meet the following criteria:

**Liquidity:** Collateral must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.

**Issuer credit quality:** Collateral received should be of high quality.

**Non- Correlation:** Collateral should be issued by an entity independent from the counterparty and should not display a high correlation with the performance of the counterparty.

**Collateral diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers. In particular it should not expose the Company to a given issuer for more than 20% of its Net Asset Value. For this calculation, the Company should aggregate all collateral received from all counterparties.

**Risk management process:** Risks linked to the management of the collateral, such as operational and legal risks are identified, managed and mitigated by the risk management process.

**Full ownership:** Collateral received in full ownership, by transfer of title, should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

**Enforceability:** Collateral received must be enforceable by the Company at any time without reference to or approval from the counterparty.

### **5.3. Haircut policy**

The Management Company may set up a haircut policy adapted to the characteristics of the class of assets received as collateral, such as the credit standing, the price volatility, the outcome of the stress tests performed (if any).

The haircuts to be applied by the Company to the eligible assets received as collateral will be indicated when applicable.

#### 5.4. Reinvestment policy

Non cash collateral received should not be sold, re-invested or pledged.

Reinvestments of cash collateral received by the Company may only be:

- (i) placed on deposit with credit institutions having their registered office (x) in a Member State or (y) in a third country, provided that they are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (ii) invested in high-quality government bonds;
- (iii) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- (iv) invested in short-term money market funds, as defined in the CESR's (former ESMA) guidelines on a common definition of European Money Market Fund of 19 May 2010.

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

Risks arising from the reinvestment of cash collateral are listed in Section II.

**Each Sub-Fund currently has no intention to employ efficient portfolio management techniques such as securities lending, repo and reverse repo, total return swaps, nor enter into OTC Derivative transactions that require the use of collateral to reduce counterparty risk. In case a Sub-Fund will employ such strategies and accept collateral to reduce counterparty risk in the future, it will comply with the relevant regulations and in particular with the Circular CSSF 13/559 and the ESMA guidelines 2014/937 on ETF and other UCITS issues and update the Prospectus accordingly.**

## **VI. SERVICE PROVIDERS**

### **1. Management Company, Domiciliary Agent, Registrar and Transfer Agent and Administrative Agent**

#### **1.1. General**

The Board of Directors appointed Kredietrust Luxembourg S.A. as its Management Company pursuant to the Management Company Agreement to provide management, administration and marketing services. The Management Company is registered as a management company pursuant to the provisions of Chapter 15 of the 2010 Law.

The relationship between the Management Company and the Company is subject to the terms of the Management Company Agreement which has been entered into for an unlimited period of time from the date of its execution. Each of the Management Company and the Company may terminate the Management Company Agreement upon ninety (90) calendar days' written notice. The Management Company Agreement may also be terminated on shorter notice in certain circumstances.

Kredietrust Luxembourg S.A. is a subsidiary of KBL European Private Bankers S.A..

The subscribed capital and the paid-up capital of the Management Company is EUR 2,300,000.

The Management Company delegates, under its entire responsibility, the functions of Registrar and Transfer Agent and Administrative Agent to EFA.

The remuneration policy of the Management Company is aimed at ensuring the best possible alignment of the interest of investors, those of the Management Company (as well as its business strategy and values) and the achievement of the investment objectives of the Company with a view of not encouraging excessive risk. It includes measures to avoid conflicts of interests and integrates in its performance management system risk criteria specific to the activities of the business units concerned. The criteria applied to establish fixed remuneration are job complexity, level of responsibility, performance and local market conditions.

The remuneration policies and practices shall apply to those categories of staff, including senior management, risk takers, control functions and any employee receiving remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the management companies or of the UCITS that they manage. All staff members entitled to variable remuneration (such as bonus payments) are subject to an evaluation including both quantitative and qualitative criteria as part of an annual performance assessment.

The remuneration policy of the Management Company provides that where the remuneration is performance-related, the assessment of the performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the funds managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the funds and that the actual payment of performance-based components of remuneration is spread over the same period. The Management Company will balance fixed and variable remuneration components appropriately and ensure that the fixed portion is sufficiently high to exercise a fully flexible variable remuneration policy (in particular the option of not paying variable remuneration). Variable amounts may be paid out over a period of time in line with applicable laws and regulations.

The details of the remuneration policy of the Management Company are available on <https://www.kbl.lu/en/legal-information/regulatory-affairs/>. A copy will be made available free of charge to investors upon request at the Management Company registered office.

#### **1.2. Administrative Agent**

Kredietrust Luxembourg S.A. was also appointed as Domiciliary Agent, Registrar and Transfer and Administrative Agent of the Company.

The Administrative Agent has sub-delegated, under its own responsibility, the duties relating to the administration of the Company as well as the transfer and registrar agent function to European Fund Administration S.A. (hereinafter the “**Delegated Administrative Agent**” or the “**Registrar and Transfer Agent**”), a *société anonyme* established in Luxembourg. In this capacity, the Administrative Agent will carry out all administrative duties related to the administration of the Company, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Company. As Registrar and Transfer Agent, it will process all subscriptions, redemptions and transfers of Shares and will register these transactions in the register of the Company.

### 1.3. Fees

The Administrative Agent shall receive for the accomplishment of its functions the following fee (monthly payable) for the Sub-Fund

- VALLBANC INVESTMENT FUND – Iberian Equities a 0,10% p.a. of the average net assets during the relevant month with a minimum of EUR 30.000,- per annum, payable monthly.
- VALLBANC INVESTMENT FUND – Dolphin Equities a 0,10% p.a. of the average net assets during the relevant month with a minimum of EUR 30.000,- per annum, payable monthly.
- VALLBANC INVESTMENT FUND – Balanced Fund a 0.085% p.a. of the average net assets of the preceding month with a minimum of EUR 24.500,- per annum, payable monthly.
- VALLBANC INVESTMENT FUND –World Opportunities a 0,10% p.a. of the average net assets during the relevant month with a minimum of EUR 30.000,- per annum, payable monthly.

Furthermore, the Company bears the operational expenses such as Domiciliary Agent and Registrar and Transfer’s commission, printing and distribution costs for the annual and semi-annual reports and prospectuses, expenses linked to the registration of the Company and its maintenance with government bodies and any other expenses in line with Luxembourg market practises. As remuneration for the services of Management Company, there is a fee of EUR 10,000.- per Sub-Fund per year.

### 1.4. Board of directors of the Management Company

The Management Company is entitled to appoint officers to whom it delegates, on its own responsibility, the day-to-day management of the Company’s Sub-Funds.

The board of directors of the Management Company is composed as follows:

- a) **Mr. Vincent DECALF**, Director and Chairman
- b) **Mr. Olivier DE JAMBLINNE DE MEUX**, Director  
who is also member of the Executive Committee of KBL European Private Bankers S.A..
- c) **Mr. Stefan VAN GEYT**, Director

The conducting officers, appointed by the Board of Directors of the Management Company, are Mr Stefan Van Geyt (Chief Executive Officer), Mr Aurélien Baron (Head of Legal, Compliance & Risk Management) and Mrs. Kristel Cools (Group Head of Asset Management).

## 2. Investment Manager

The Board of Directors has the overall responsibility of determining the investment policy and the management of the Company.

The Management Company (with the prior approval of the Board of Directors) may, under its supervision and responsibility, delegate investment management services in relation to one or several compartments to one or several investment manager(s) (“**Investment Manager**”).

Pursuant to the investment management agreement(s) (the “**Investment Management Agreements**”), each Investment Manager, in accordance with the investment objective and policies of the relevant Sub-Fund adopted by the Company, manages the investment and reinvestment of the assets of such Sub-Fund and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion. Any of the Investment Manager or the

Management Company may terminate the agreement on at least 90 calendar days' prior written notice. The agreement may also be terminated on shorter notice in certain circumstances.

Where the Investment Management is not delegated and where not otherwise indicated in the relevant Sub-Fund detailed in Part II of this Prospectus, the Management Company will provide investment management services and be considered as Investment Manager. In such a case, the remuneration of the Management Company acting as Investment Manager, if any, will be detailed in the relevant Sub-Fund detailed in Part II of this Prospectus.

As of the date of this Prospectus, the Management Company has delegated, with the approval of the Board of Directors, the investment management of the following sub-funds to KBL ESPAÑA ASSET MANAGEMENT, SGIIC, S.A., a Spanish company registered with the *Comisión Nacional del Mercado de Valores* as a collective investment scheme management company, having its registered office at C/ SERRANO 57 4ª Madrid 28006:

- VALLBANC INVESTMENT FUND – Iberian Equities;
- VALLBANC INVESTMENT FUND – Dolphin Equities;
- VALLBANC INVESTMENT FUND – Balanced Fund ; and
- VALLBANC INVESTMENT FUND –World Opportunities.

The fees of the Investment Manager are detailed in the relevant Supplements.

### **3. General Distributor**

The Management Company may, under its supervision and responsibility, delegate investment distribution and marketing services in relation to one or several compartments to one or several distributor(s) (the “**Distributor**”).

As of the date of this Prospectus, the Management Company has delegated, with the approval of the Board of Directors, the general distribution services of the following sub-funds to KBL ESPAÑA ASSET MANAGEMENT, SGIIC, S.A.:

- VALLBANC INVESTMENT FUND – Iberian Equities;
- VALLBANC INVESTMENT FUND – Dolphin Equities;
- VALLBANC INVESTMENT FUND – Balanced Fund ; and
- VALLBANC INVESTMENT FUND –World Opportunities.

The fees of the General Distributor are detailed in the relevant Supplements.

### **4. Depositary**

KBL European Private Bankers S.A., a public limited company with its registered office at Luxembourg, 43 Boulevard Royal, has been designated as Depositary for the Company within the meaning of the 2010 Law pursuant to a depositary agreement (the “**Depositary Agreement**”). The Depositary Agreement is made for an unlimited duration and may be terminated by a ninety days prior written notice by either party. The Company will use its best efforts to appoint a new depositary and obtain the approval of the CSSF within a reasonable time upon notice of termination, being understood that such appointment shall happen within two months. The Depositary will continue to fulfil its obligations until completion of the transfer of the relevant assets to another depositary appointed by the Company and approved by the CSSF.

KBL European Private Bankers S.A. is a bank which was incorporated on 23 May 1949 under Luxembourg law for an unlimited period.

At 31 December 2016, its capital and reserves amounted to EUR 1.330.318.462,10.

As Depositary, KBL European Private Bankers S.A. will carry out its functions and responsibilities in accordance with the provisions of the 2010 Law.

The Depositary will further, in accordance with the 2010 Law:

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

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

- (a) opened in the name of the Company or of the Depositary acting on behalf of the Company;
- (b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC ; and
- (c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

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

- (a) for financial instruments that may be held in custody, the Depositary shall:
  - (i) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
  - (ii) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Company, so that they can be clearly identified as belonging to the Company in accordance with the applicable law at all times;
- (b) for other assets, the Depositary shall:
  - (i) verify the ownership by the Company of such assets by assessing whether the Company holds the ownership based on information or documents provided by the Company and, where available, on external evidence;
  - (ii) maintain a record of those assets for which it is satisfied that the Company holds the ownership and keep that record up to date.

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



The list of such delegates is available on <https://www.kbl.lu/en/legal-information/regulatory-affairs/> and is made available to investors free of charge upon request.

**Conflicts of interests:**

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

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

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

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

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

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

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

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

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

- The selection and monitoring process of Sub-Custodians is handled in accordance with the 2010 Law and is functionally and hierarchically separated from possible other business relationships that exceed the subcustody of the Company's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that none of the Sub-Custodians used by the Depositary for the custody of the Company's financial instruments is part of the KBL Group.
- The Depositary has a significant shareholder stake in EFA and some members of the staff of the Depositary are members of EFA's board of directors.
  - The staff members of the Depositary in EFA's board of directors do not interfere in the day-to-day management of EFA which rests with EFA's management board and staff. EFA, when performing its duties and tasks, operates with its own staff, according to its own procedures and rules of conduct and under its own control framework.
- The Depositary may act as depositary to other UCITS funds and may provide additional banking services beyond the depositary services and/or act as counterparty of the Company for over-the-counter derivative transactions (maybe over services within KBL).
  - The Depositary will do its utmost to perform its services with objectivity and to treat all its clients fairly, in accordance with its best execution policy.
- The Depositary and the Management Company are part of the KBL Group and some members of the staff of other KBL Group entities (not acting as depositaries) are members of the Management Company's board of directors.

As a consequence, potential conflicts of interest would be notably:

- The possibility that the Depositary would favor the interests of the Management Company over one UCI or group of UCIs, or over the interests of their unitholders/investors or group of unitholders/investors, for financial or other reasons.
- The possibility that the Depositary would obtain a benefit from the Management Company or a third party in relation to the services provided, to the detriment of the interests of the Company or its investors.
  - The Depositary will act in accordance with the standards applicable to credit institutions, in accordance with the 2010 Law and in the best interest of the Company and its investors, without being influenced by the interests of other parties.
  - The Depositary will do its utmost to perform its services with objectivity.
  - The Depositary and the Management Company are two separate entities with different purposes and employees, and ensuring a clear separation of tasks and functions.

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

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

In consideration for such services, the Depositary is entitled to perceive depositary fees in accordance with market practice, amounting to up to 0.05% payable monthly in arrears of the Net Asset Value of each Sub-Fund, with an annual minimum of EUR 6,200 for the whole Fund, payable monthly based on the average net assets of the month. A supplementary depositary control fee of 0.005% of the Net Asset Value will apply, payable monthly with a minimum of EUR 208.33 per month per Sub-Fund.

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

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

## **5. Paying Agent**

KBL European Private Bankers S.A. was as well appointed as Paying Agent for the payment of dividends pursuant to the paying agency agreement (the "**Paying Agency Agreement**"). The paying agency fees are charged in accordance with market practice.

The Paying Agency Agreement is made for an unlimited duration and may be terminated by a ninety days prior written notice by either party.

## **6. Investment Advisor**

The Board of Directors or the Investment Manager, if any, may delegate investment advisory services relating to certain Sub-Funds to one or several investment advisor(s) (the "**Investment Advisor**").

The identity, powers, functions and remuneration of the Investment Advisor, if any, will be detailed as applicable in Part II of this Prospectus.

## **VII. NET ASSET VALUE**

### **1. Calculation of the Net Asset Value**

The Net Asset Value of shares in respect of each Sub-Fund and class of shares in the Company shall be determined as of each Valuation Day, as further described in Part II of the relevant Sub-Fund.

The NAV per Share of a Class of Shares shall be expressed in the reference currency of the relevant Sub-Fund.

The Net Asset Value is calculated by dividing the value of the net assets of each Sub-Fund of the Company by the total number of Shares of the Sub-Fund concerned in circulation as of that date and rounding the result obtained for each Share to the nearest hundredth in the currency of the Sub-Fund concerned. For each Sub-Fund issuing distribution and capitalisation shares, the Net Asset Value per Share will be determined for each capitalisation and distribution share.

The net asset value of each Sub-Fund of the Company is equal to the difference between its assets and its current liabilities in accordance with the Articles. For the determination of the net assets, income and expenses are recorded every day.

The valuation of the assets of the different Sub-Funds is determined as follows:

- a) The value of cash and deposits, drafts and bills payable on demand, receivables, expenditure paid in advance, dividends and interest announced or due but not yet received, is constituted by the nominal value of those assets, unless it appears unlikely that this value can be realised; in that case the value is determined by subtracting an amount deemed to be appropriate by the Company to reflect the real value of those assets.
- b) The valuation of any security or money market instrument traded or listed on a stock exchange is made on the basis of the closing price on the relevant Valuation Day, unless such price is not representative.
- c) The valuation of any security or money market instrument traded on another regulated market is made on the basis of the closing price on the relevant Valuation Day.
- d) Where securities or money market instruments held in the portfolio on the Valuation Day are not traded or listed on a stock exchange or another regulated market, or where the price determined pursuant to sub-paragraphs b) or c) above in respect of securities listed or traded on a stock exchange or another regulated market are not representative of the real value of those securities, such securities are valued on the basis of the probable value of sale estimated with prudence and in good faith.
- e) Options, financial futures and interest rate swap contracts are valued at the last known price on the stock exchanges or regulated markets concerned.
- f) Shares/Units issued by UCITS or UCI shall be valued at their last available price or net asset value, as at the relevant Valuation Day.
- g) Options and financial futures and other derivatives shall be valued at the last known rate on the stock exchanges or regulated markets.
- h) Interest rate swap contracts shall be valued at the last known rates on the markets where such contracts were concluded.

Where, as a result of special circumstances, a valuation on the basis of the aforesaid rules becomes impracticable or inaccurate, other generally accepted and verifiable valuation criteria are applied in order to obtain an equitable valuation.

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

## 2. Temporary Suspension of The Net Asset Value

The Board of Directors of the Company may suspend the calculation of the Net Asset Value per Shares of a Sub-Fund, the issue and the redemption of Shares of a Sub-Fund, as well as the conversion of Shares into Shares of another Sub-Funds in the following cases:

- a) during any period in which one of the main stock exchanges where a substantial portion of the Company's investments in any given Sub-Fund is quoted, is closed other than for a holiday, or during which the transactions on it are restricted or suspended;
- b) during an emergency when the Company cannot normally dispose of its assets for a given Sub-Fund or cannot evaluate such assets correctly;
- c) during any breakdown of the communications network normally used for fixing the price or the value of investments of a given Sub-Fund or the current market price; or
- d) during any period in which the Company is unable to repatriate funds for the purpose of making payments on the redemption of shares or during which the transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of these shares, cannot be effected, in the opinion of the Directors, at a normal rate of exchange;
- e) during any period when, in the opinion of the Board of Directors, there exists unusual circumstances which make it impracticable or unfair towards the shareholders to continue dealing with Shares of any Sub-Fund of the Company; or
- f) When there is a suspension of redemption or withdrawal rights by several investment funds in which the Company or the relevant compartment is invested.
- g) once a Meeting has been convened during which it will be proposed to dissolve the Company; or
- h) as from the effective date of a decision to close a Sub-Fund; or
- i) during any period when the publication of the notice of the general meeting of shareholders at which the merger of the Company or a Sub-Fund is to be proposed, or of the decision of the Board of Directors to merge one or more Sub-Funds, to the extent that such a suspension is justified for the protection of the shareholders.

Such suspension will be notified to the shareholders requesting the purchase, the conversion or the redemption of Shares by the Company in accordance with the applicable law.

Such suspension concerning one Sub-Fund will not bear upon the calculation of the net asset value, the issue, redemption or conversion of shares of the other Sub-Funds.

## VIII. THE SHARES

Within each Sub-Fund the Company may further decide to create different Classes whose assets will be commonly invested pursuant to the specific policy of the Sub-Fund concerned but where a specific sales redemption charge structure a specific distribution policy or other specific features may apply.

The Shares and Classes available at the date of this prospectus and particular features of each Class of Shares per Sub-Fund are disclosed in Part II.

**R-Class Shares** are available for any kind of investors (including retail investors).

**I-Class Shares** are available only to institutional investors ("**Institutional Investors**") and the Company will not issue or give effect to any transfer of Shares of such Classes to any investor who may not be considered an Institutional Investor. The Company may, at its discretion, delay the acceptance of any subscription for Class I Shares until such date as it has received sufficient evidence of the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of Class I Shares is not an Institutional Investor, the Company will either redeem the relevant Shares or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant Shareholder of such conversion.

As further specified in Part II, Shares in the different Classes may be differentiated by different factors such as distribution policy or hedging policy. Investors should enquire at the Administrative Agent or their Distributor whether any Capitalisation or Distribution Shares classes are available within each Share Class and Sub-Fund.

The Minimum Holding Amount (as indicated in the Supplements) that may be applied can vary according to the Sub-Fund and the Share Class, and are provided for in Part II.

The Directors may at their absolute discretion from time to time waive the Minimum Holding Amount, if any.

The Shares of the Company are freely transferable. They carry no preferential rights nor any right of pre-emption and each whole share gives the right to one vote, whatever its compartment or net asset value, at each General Meeting of the Shareholders. The fractions of Shares will not give the right to vote. The Shares are issued with no par value and must be fully paid up. There is no limit to the number of Shares issued by the Company.

The Board of Directors is likewise authorized to issue fractions of registered Shares. Fractions of Shares are issued with three decimals. The fractions of Shares will correspond to a part of the net assets and will entitle the shareholder to a corresponding portion of the dividends that the Company could decide to distribute as well as in case of liquidation.

Shares will be issued in registered form and may be held and treated in clearing systems. A confirmation in writing will be issued to the Shareholders.

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

Shares of the different compartments of the SICAV are quoted on the Luxembourg Stock Exchange.

The NAV per Share and the Subscription and Redemption Prices of each Sub-Fund shall be available at the registered office of the Company during business hours. The Subscription/Redemption Price shall be expressed in the reference currency of each Sub-Fund as determined by the Administrative Agent.

The Company does not allow investments which are associated with late trading or market timing practices; as such practices may adversely affect the interests of the Shareholders:

### Market Timing

Shares of the Company are not offered, nor is the Company managed, or intended to serve as, a vehicle for frequent trading that seeks to take advantage of short-term fluctuations in the concerned securities

markets. This type of trading activity is often referred to as “market timing” and could result in actual or potential harm to the Shareholders of the Company.

In general, Market Timing is to be understood as an arbitrage method through which an investor systematically subscribes 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 NAV of a Sub-Fund.

Accordingly, the Board of Directors may, whenever it deems it appropriate, instruct the Registrar and Transfer Agent to reject an application for subscription and/or switching of Shares from investors whom the Board of Directors consider market timer and may, if necessary, take appropriate measures in order to protect the interests of the other investors. For these purposes, the Board of Directors may consider an investor’s trading history and the Registrar and Transfer Agent may combine Shares which are under common ownership or control.

#### Late Trading

In general, Late Trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the NAV applicable to such same day. The Board of Directors shall not allow the Registrar and Transfer Agent to accept orders after the cut-off time.

Solvency II The Management Company may, upon request and within a delay which shall not be less than 48 hours after the latest publication of the net asset value, communicate the composition of the portfolio of the Company to professional investors who are subject to the obligations deriving from Directive 2009/138/CE (Solvency II).

The information so transmitted shall be considered as strictly confidential and shall be used only for the purpose of calculating prudential requirements in connection with such Directive. They may under no circumstances entail prohibited practices such as “market timing” or “late trading” from shareholders having been provided with such information.

## IX. SUBSCRIPTION OF SHARES

For each Sub-Fund, the Board of Directors is authorized to issue fully paid up Shares at any time and without any limit.

No Shares of any Sub-Fund or Class of Shares will be issued by the Company during any period when the determination of the NAV of Shares of that Sub-Fund is suspended by the Company pursuant to the power reserved to it by the Articles of Incorporation and described under the section here above "Temporary Suspension of the Net Asset Value". Moreover, the Board of Directors reserves the right to discontinue, without notice, both the issue of Shares of the Company.

### Subscription of Shares and payment procedure

Investors may subscribe for Shares in each Sub-Fund at each Valuation Day at the relevant Subscription Price.

For initial subscriptions, applicants should complete an application form (an "**Application Form**") and send it to the Registrar and Transfer Agent by mail or by facsimile. For subsequent subscriptions, applicants need only to complete a subscription form.

Application Forms for initial subscriptions of Shares may be sent by post or fax to the Registrar and Transfer Agent in Luxembourg on any Business Day by using the Application Form circulated with this Prospectus. In the case of faxed orders, these should be followed with the original Application Form by post. Completed Application Forms or subscription forms must be received by the Registrar and Transfer Agent by no later than the time specified in the relevant Supplement. If the Application Form is not received by these times, the application will be treated as received for the following Valuation Day.

A subscription fee may be applied for each subscription of shares, as disclosed in the relevant Supplement.

The Company reserves the right to cancel an application if subscription monies are not received on an account of the Company in cleared funds and in the reference currency of the relevant Class within the period of time specified in the relevant Supplement.

In addition to the Subscription Price, the payment to the Company must cover any transaction costs.

The Board may also determine that certain Sub-Funds shall be open for subscription only during the initial subscription period, after which no additional unit issues will take place. In such a case, this shall be specified in the relevant Supplement.

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

Once completed subscriptions have been received by the Registrar and Transfer Agent they are irrevocable.

In the case of a suspension of the calculation of the NAV or a deferral of subscriptions, subscription orders for a Valuation Day falling during the period of such suspension or deferral will be accepted at the NAV per Share on the first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

The Board of Directors may agree to issue Shares as consideration for a contribution in kind of securities, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the auditor of the Company and provided that such securities comply with the investment objectives and policies of the relevant Sub-Fund.

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

The features linked to subscriptions in each sub-fund are described in the Part II.



### Anti Money-Laundering Notice

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, and circulars of the CSSF, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment must in principle ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar and transfer agent may require subscribers to provide any document it deems necessary to effect such identification.

In case of delay or failure by an applicant to provide the documents required, the application for subscription (or, if applicable, for redemption) will not be accepted. Neither the Company nor the registrar and transfer agent has any liability for delays or failure to process deals as a result of the applicant providing no or only incomplete documentation.

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

## **X. REDEMPTION OF SHARES**

Any Shareholder may apply for redemption of his/her/its Shares in part or in whole on any Valuation Day.

Shareholders' requests for redemption of Shares must be made in writing to the Company or directly to the Registrar and Transfer Agent, by mail or by facsimile.

The request must mention (i) the number of Shares or the amount to be redeemed, (ii) the Sub-Fund and Class of Shares to which they belong to and, (iii) the name under which they have been registered. The request must come along with the certificate if issued and all documents relating to any transfer.

All redemption requests sent to the Registrar and Transfer Agent shall be received no later than the time specified in the relevant Supplement failing which the redemption request will be treated as received for the following Valuation Day and Shares will be redeemed based on the Redemption Price applicable for that Valuation Day.

A Redemption Charge may be applied for each redemption of units, as disclosed in the relevant Supplement.

A request duly made shall be irrevocable, except in case of and during any period of suspension or deferral of redemptions.

If there is a significant number of redemption requests (>10% of the net assets of the last available net asset value of the relevant Sub-Fund), the Company reserves the right to redeem the Shares only at the redemption price calculated after the Company has been able to sell the necessary assets in the shortest time, taking into account the interests of all the Shareholders and has the proceeds of this sale available. Redemption requests will be considered by the Company in the order at which they were received. Those redemption requests, which have been deferred, will be met in priority to later requests on the following Calculation Day.

In the case of a suspension of the calculation of the NAV or a deferral of redemptions, Shares to be redeemed on Valuation Days falling during the period of such suspension or deferral will be redeemed at the NAV per Share on the first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

The value of Shares at the time of their redemption may be more or less than their acquisition cost, depending on the market value of the assets held by the relevant Sub-Fund at the time of acquisition and redemption.

Any Shares redeemed shall be cancelled and removed from the Shareholders register maintained by the Transfer Agent.

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

The Board of Directors may pay a redemption price to a Shareholder in kind by transferring to such Shareholder transferable securities or other assets of the Sub-Fund. This payment in kind should be done in compliance with law and in particular after the Company's auditor has issued a specific and audited report on the value of the transferable securities or assets to be transferred.

The value of the transferable securities or assets to be transferred as consideration to the Shareholder must be equal to the price at which the Shares redeemed have been valued pursuant to the applicable Net Asset Value.

The Board of Directors may repay in kind a Shareholder if the following conditions are met:

- a) the request is made by the investor him/her/itself; and
- b) the transfer does not have a negative impact on the rights of the existing Shareholders.

All costs relating to the payment in kind are charged to the Shareholder requesting redemption of his/her/its Shares.

The Company shall use its best efforts to maintain an appropriate level of liquidity for the assets of each Sub-Fund so that redemptions of the Shares under normal circumstances may be made without undue delay upon request by Shareholders. Under exceptional circumstances and in the sole interest of the

Shareholders, the Board of Directors may decide to defer the payment in order to be able to sell securities in the best conditions.

### **Compulsory Redemptions**

The Directors have the right to require the compulsory redemption of all 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 ineligible (i.e. where such person or legal entity's ownership may potentially involve a violation of any applicable law, or may involve the taxation of the Company in a country other than Luxembourg or may otherwise be detrimental to the Company).

Shares may generally not be issued or transferred to any US Person. When the Board become aware that a Shareholder (A) is a US Person or is holding Shares for the account or benefit of a US Person, so that the number of US Persons known to the Directors to be beneficial owners of Shares for the purposes of the 1940 Act exceeds 99 or such other number as the Directors may determine from time to time; (B) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Company or its Shareholders including, but not limited to, a situation in which more than 25% of the Shares are owned by benefit plan investors; or (C) has failed to provide any information or declaration required by the Directors within ten days of being requested to do so, the Directors will either (i) direct such Shareholders to redeem or to transfer the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares.

As previously indicated in the Section "Shares", if it appears at any time that a holder of Class I Shares is not an Institutional Investor, the Company will either redeem the relevant Shares or convert such Shares into Shares of a Class which is not restricted to Institutional Investors (provided there exists such a Class with similar characteristics) and notify the relevant Shareholder of such conversion.

The Company also reserves the right to require compulsory redemption of all Shares held by a Shareholder in a Sub-Fund if the Net Asset Value of the Shares held in such Sub-Fund by the Shareholder is less than the applicable minimum holding requirement.

## XI. CONVERSION OF SHARES

Subject to any prohibition of conversions contained in a Supplement and to any suspension of the determination of any one of the Net Asset Values concerned, Shareholder may request conversion of all or part of his/her/its Shares into Shares of another Sub-Fund. The ratio of conversion is based on the respective Net Asset Value of the Shares of the different Sub-Funds.

A Shareholder wishing to convert Shares should send to the Company (or directly to the Registrar and Transfer Agent) a written request to that effect (to be received by the Registrar and Transfer Agent no later than the time specified in the relevant Supplement, failing which the conversion request will be treated as received for the following Valuation Day and Shares will be converted based on the formula indicated below), specifying (i) the number of Shares to be redeemed, (ii) the Sub-Fund to which such Shares belong to, (iii) the name under which they have been registered, (iv) the class (I-Class/R-Class) of Shares converted. He/she/it should also indicate the details for any payment of any balance resulting from the conversion. The old share certificate (if any) must be enclosed to the request. The right to convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts) applicable to the Class into which conversion is to be effected. Therefore, if, as a result of a conversion, the value of a Shareholder's holding in the new Class would be less than the minimum holding amount, the Directors may decide not to accept the request for conversion of the Shares and the Shareholder would be informed of such decision. In addition, if, as a result of a conversion, the value of a Shareholder's holding in the original Class would become less than the relevant minimum holding amount, the Shareholder may be deemed (if the Directors so decide) to have requested the conversion of all of his/her/its Shares.

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

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

where:

A is the number of Shares to be allocated in the new Sub-Fund

B is the number of Shares to be converted of the original Sub-Fund

C is the net asset value on the applicable Valuation Day of the shares to be converted of the original Sub-Fund

D is the exchange rate applicable on the Valuation Day between the currencies of the two Sub-Funds

E is the net asset value on the applicable Valuation Day of the shares to be allocated in the new Sub-Fund .

In the case of a suspension of the calculation of the NAV or a deferral of conversion orders, Shares to be converted on Valuation Days falling during the period of such suspension or deferral will be converted at the NAV per Share on the first Valuation Day following such suspension or deferral, unless withdrawn in writing prior thereto.

Any taxes and duties levied in connection with the conversion of Shares are charged to the Shareholder concerned.

Unless otherwise indicated in the relevant Supplement, no conversion fee is foreseen.

## **XII. DIVIDEND POLICY**

Upon recommendation of the Board of Directors, the Annual General Meeting of the Company will determine each year which part of the result of any Sub-Fund of the Company - including the net investment incomes and any realized and unrealized capital gains (after deduction of realized and unrealized capital losses) – may be distributed to the holders of distribution shares, if any.

Interim dividends may be paid from time to time, as decided by the Board of Directors and in compliance with the conditions set forth by Luxembourg law. Dividends may be distributed to the extent that the capital of the Company is maintained at the minimum level as foreseen by Luxembourg Law.

Payments of dividends will be made in the currency corresponding to the relevant Sub-Fund or class of shares or in any other currency freely exchangeable against that currency as the shareholders may request (provided that any foreign exchange cost shall be deducted from the amount payable to the shareholder), to the concerned shareholders' bank account provided to the Registrar and Transfer Agent.

Dividends of each Sub-Fund not collected within five years will lapse and accrue for the benefit of that Sub-Fund in accordance with Luxembourg Law.

No interest will be paid on dividends kept by the Company at the disposal of its beneficiary.

The profits attributable to capitalization Shares should remain invested in the Company and should be added to the part of net assets that is attributable to capitalization Shares. The objective of capitalization Shares is to achieve capital appreciation. For this purpose the capital gain, interest, dividends and all other income deriving from capitalization Shares will be automatically reinvested.

### **XIII. LIQUIDATION**

#### **1. Liquidation of the Company**

In case of liquidation of the Company, the liquidation procedure shall be carried on in accordance with the provisions of the 2010 Law.

The Company can be dissolved in the following circumstances:

- a) if the share capital of the Company falls below two thirds of the minimum capital legally required. The Directors must submit the question of its dissolution to a Shareholders extraordinary general meeting, deliberating without condition of presence and deciding by a simple majority of the shares represented at the meeting.
- b) if the share capital of the Company falls below a quarter of the minimum capital legally required. The Directors must submit the question of its dissolution to a Shareholders extraordinary general meeting, deliberating without condition of presence. The dissolution can be pronounced by the shareholders owning one quarter of the shares represented at the meeting.

The Shareholders general meeting must be convened so that the general meeting is held within a period of 40 days following the date on which it is established that the net assets have fallen to respectively two thirds or one quarter of the minimum capital.

The net proceeds of the liquidation corresponding to each Sub-Fund and Share Class shall be distributed by the liquidator(s) to the shareholders of each Sub-Fund and class in proportion to their holding of shares in such Sub-Fund and class.

Should the Company be voluntarily liquidated (e.g. (i) where the value of the assets of the Company has decreased to an amount determined by the Board to be the minimum level for the Company to be operated in an economically efficient manner; (ii) in case the Board of Directors deems that it is appropriate because of changes in the economic or political situation affecting the Company; (iii) if an economic rationalization is needed), by decision of an extraordinary general meeting of Shareholders, its liquidation will be carried out in accordance with the provisions of the 2010 Law and the law dated August 10, 1915 on commercial companies, as amended. The provisions of such laws specify the procedure for payment of any liquidation profits to the Shareholders and that any amount not promptly claimed by the Shareholders be deposit in escrow at the "*Caisse de Consignation*".

Notice of liquidation of the Company will be published in the RESA and in two newspapers, one of which at least must be a Luxembourg newspaper.

#### **2. Liquidation of one or more Sub-Funds of the Company**

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

- a) if, for any reason the Net Asset Value in any Sub-Fund has not reached, or has decreased, to a minimum amount, to be the minimum level for such Sub-Fund to be operated in an economically efficient manner; or
- b) if the political and/or economic environment happens to change unfavourably for the Shareholders.
- c) If an economic rationalization is needed.

The decision of liquidation has to be published according to the applicable rules governing publicity. The publication must give details on the reasons and the terms of the liquidation procedure.

Unless otherwise decided by the Board of Directors, the Company may continue to redeem the Shares of the Sub-Fund in liquidation provided that the Net Asset Value applied for such redemption takes into account the liquidation fees but not the redemption fees as foreseen in the prospectus. The formation expenses of the Sub-Fund must be completely written off as soon as a decision to liquidate has been taken.

Assets which could not be distributed to their beneficiaries upon the close of the liquidation of the compartment concerned will be deposited in escrow with the *Caisse de Consignation* on behalf of their beneficiaries. If not claimed, they shall be forfeited in accordance with Luxembourg law.

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

The decision to liquidate a Sub-Fund in the circumstances and in the manner described in the preceding paragraphs may also be adopted at an Extraordinary General Meeting of the Shareholders of the Sub-Fund to be liquidated where no quorum is required and where the decision to liquidate is approved by simple majority of expressed votes at the shareholder's meeting.

### **3. Merger**

Any merger of a Sub-Fund with another Sub-Fund of the Company or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board, unless the Board decides to submit the decision for the merger to the general meeting of shareholders of the Sub-Fund concerned. In the latter case, no quorum will be required for this meeting and the decision for the merger shall be taken by a simple majority of the votes cast. In the case of a merger of a Sub-Fund where, as a result, the Company ceases to exist, the merger shall, notwithstanding the foregoing, be decided by a meeting of shareholders resolving in accordance with the quorum and majority requirements for the amendment of the Articles. Such a decision will be undertaken and notified to the relevant Shareholders in accordance with the provisions of the 2010 Law and any applicable regulations. Such notification shall be provided at least thirty days before the last date for requesting repurchase or redemption or, as the case may be conversion without additional charge.

## **XIV. TAXATION**

The following is based on the Company's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Prospectus or at the time of an investment will endure indefinitely.

**Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

### **1. Taxation of the Company**

Under current legislation, the Company is not liable to taxation in Luxembourg on its income, profits or gains.

In the same way, dividends paid by the Company are exempt from any Luxembourg withholding tax. The Company, on the other hand, is liable to an annual tax of 0.05 % of its net asset value. A reduced subscription tax rate of 0.01% per annum is applicable to Luxembourg undertakings for collective investment (UCIs) 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 applicable to individual compartments of UCIs with multiple compartments referred to in the 2010 Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments are dedicated to Institutional Investors.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, (iv) UCITS and UCIs subject to the Part II of the 2010 Law qualifying as exchange traded funds and (v) UCIs and individual compartments thereof with multiple compartments whose main objective is the investment in microfinance institutions.

The tax is payable quarterly on the basis of the Net Asset Value of the Company calculated at the end of the relevant quarter. No duty or tax is due in Luxembourg upon the issue of Shares of the Company.

#### ***Withholding tax***

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries (including Luxembourg). 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 are not subject to withholding tax in Luxembourg.

### **2. Taxation of the shareholders**

#### **2.1. 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 of more than 10% of the share capital of the company.



Distributions made by the Company will be fully subject to income tax at the level of the investors. The distributions qualify for an exemption of max. 1 500 EUR single / 3 000 EUR married jointly assessed. 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% (tax rate for 2017). Taxable income is also subject to dependence insurance contribution (*Contribution à assurance-dépendance*) at a rate of 1.4%.

## 2.2. Luxembourg resident corporate

Luxembourg resident corporate Investors (*collectivités*) will be subject to corporate taxation at the rate of 27.08% (in 2017 for entities having their registered office in Luxembourg-City) on the distributions received from the Company and on the capital gains realised upon disposal of the Shares.

Luxembourg resident corporate Investors who benefit from a special tax regime, such as, for example, (i) an undertaking for collective investment subject to the 2010 Law, (ii) specialised investment funds subject to the amended law of 13th February 2007 on specialised investment funds, or (iii) family wealth management companies subject to the amended law of 11th May 2007 on family wealth management companies, are exempt from income tax in Luxembourg, but 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 22nd March 2004 on securitisation, (iii) an investment company governed by the amended law of 15th June 2004 relating to the investment company in risk capital, (iv) a specialised investment fund subject to the amended law of 13th February 2007 on specialised investment funds or (v) a family wealth management company subject to the amended law of 11th May 2007 on family wealth management companies. 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.

## 2.3. Non Luxembourg residents

Non-resident individuals or corporate Investors 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 in Luxembourg.

## 3. General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Directors, the Company and each of the Company's agents shall have no liability in respect of the individual tax affairs of Shareholders.

## 4. Automatic Exchange of Information

Following the development by the Organization for Economic Co-operation and Development ("OECD") of a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") in the future on a global basis, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted on 9 December 2014 in order to implement the CRS among the Member States of the European Union. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the Member States of the European Union for the data relating to the calendar year 2016.

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

The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Company will require its investors to provide information in relation to the identity and residence of financial account holders (including certain entities and their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of fiscal residency of the foreign investors to the extent that they are fiscally resident in a jurisdiction participating in the AEOL.

Under the CRS Law, the first exchange of information applied by 30 September 2017 for information related to the calendar year 2016.

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

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

## 5. **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 of America in 2010. It requires financial institutions outside the U.S. ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with such Luxembourg IGA, once the IGA has been implemented into Luxembourg law in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the IGA, the Company may be required to collect information aiming to identify its direct and indirect Shareholders that are Specified US Persons for FATCA purposes ("reportable accounts"). Any such information on reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996.

The Company intends to comply with the provisions of the 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 US investments of the Company. The Company will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA places upon it. As from the date of signature of the Luxembourg IGA and until the Grand Duchy of Luxembourg has implemented the national procedure necessary for the entry into force of the IGA, the United States Department of the Treasury will treat the Company as complying with and not subject to the FATCA Withholding.

To ensure the Company's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Company, the Management Company, in its capacity as the Company's management company and/or the Administration Agent, may:

- a. request information or documentation, including withholding certificate (e.g. 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 such Shareholder's FATCA status;
- b. report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA; and
- c. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA and the Luxembourg IGA.

If the Company, due to lack of FATCA compliance of an investor, is obliged to pay a withholding tax or to submit a report, or suffers other damage, the Company reserves the right, without prejudice to any other rights, to make claims for damages against the relevant investor.

For questions regarding Taxation in general and FATCA in particular of the Company, investors and potential investors are advised to consult their financial, tax and/or legal advisor.

## **XV. FEES AND EXPENSES**

### **1.1. Operating expenses**

The Company bears all its own operating expenses, promotional, control and publication fees, which include amongst others fees and reasonable out of pockets paid to directors, the Management Company and its Conducting Officers, the Depositary and its correspondents, the listing agent (if any), the Domiciliary, Registrar and Transfer Agent, the Administrative Agent, the Paying Agent, the Auditor, accountants and the legal advisers as well as the costs of printing and distributing annual and semi-annual reports, any other periodical information, KIIDs and this Prospectus, all brokerage fees, transaction fees, any taxes due by the Company in relation to the operation of the Company, Luxembourg subscription tax, corporate fees, as well as the costs of research, trading and settlement, analysis of the performance of the Company, assessment by rating agencies, risk management, costs of financial data providers and trading systems, costs related to the redemption of Shares, liquidation or dissolution of the Company or any Sub-Fund, all litigation, regulatory investigation, indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, costs of registration and maintaining the registration with all Government authorities, the fees of the CSSF, the fees and out-of-pocket expenses of the Directors (including travel costs to attend Board meetings and remuneration for special services and work done in addition to usual duties, the costs of any liability insurance obtained on behalf of the Company).

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

### **1.2. Incorporation expenses**

The costs and expenses incurred in connection with the incorporation of the Company, official deeds, translations and legal publications, any legal costs relating thereto and the issue of Shares, including those incurred in the preparation and publication of this complete Prospectus, KIIDs, marketing expenses, the costs incurred in obtaining a listing for Shares on the Luxembourg Stock Exchange, all legal and printing costs, certain launch expenses (including advertising costs).

The expenses of incorporation were estimated at EUR 25,000.- and were borne by the Sub-Funds existing at the time of formation, pro rata to the amounts received at the time of initial subscription. Such costs were amortized over the first five years.

Fees and expenses not attributable to any particular Sub-Fund are defrayed among the different Sub-Funds pro rata of their respective net assets. Fees and expenses are charged initially to investment income of the concerned Sub-Fund. Fees and expenses attributable to a specific Sub-Fund are charged directly to that Sub-Fund. The costs of setting up a new Sub-Fund will be written off over a period not exceeding five years on the assets of the Sub-Fund.

It should be noted that certain Sub-Fund's investment policy is to invest in the shares or units of UCI and that this entails a doubling of certain fees (such as subscriptions and redemptions fees, management fees...) and on the target UCI by its service providers and the Company by its service providers. The costs include setting-up costs, deposit, domiciliation fees, audit and other associated charges.

It should further be noted that the total management fee may vary up to 4% of the net assets in the VALLBANC INVESTMENT FUND – Iberian Equities, VALLBANC INVESTMENT FUND – Dolphin Equities compartments, VALLBANC INVESTMENT FUND – Balanced Fund, and VALLBANC INVESTMENT FUND- World Opportunities.

### **1.3. Costs, Fees and Expenses borne by Shareholders**

Where applicable, Shareholders may have to bear placement fees and/or costs and/or fees with respect to the issue, redemption of Shares, as described in the Supplements.

## **XVI. GENERAL INFORMATION**

### **1. General meetings**

#### **1.1. Annual General Meetings**

The financial year of the Company begins on 1st January and ends on 31<sup>st</sup> December of each year.

The annual general meeting of the Shareholders of the Company will be held each year at the registered office of the Company in Luxembourg, on the first Wednesday of June at 10:00 a.m. (or, should that day be a bank or legal holiday in Luxembourg, on the following Business Day).

#### **1.2. Convening Notices**

Notice of all General Meetings will be given in accordance with Luxembourg law. These notices indicate the time and the place of the General Meeting, the conditions of admission, the agenda and the requirements of the Luxembourg Law with respect to quorum and the necessary majority.

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

#### **1.3. Quorum and majority**

Requirements for convocation, attendance, quorum and voting at any General Meeting are those laid down in the law of 10th August 1915 on commercial companies as amended.

Resolutions taken at a General Meeting are binding on all the shareholders of the Company, whatever the Sub-Fund they may hold.

Shareholders of any Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Sub-Fund.

### **2. Management reports, Annual and Semi-Annual Financial Statements**

Reports to the shareholders concerning the previous financial year, approved by the Statutory Auditor, are available at the Company's registered office during usual business hours and may be sent upon request to any Shareholder, free of charge. In addition, unaudited semi-annual reports are also available at the registered office and the representatives and paying agents during usual business hours and may be sent upon request to any Shareholder, free of charge.

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

### **3. Available documents**

Copies of the following documents can be examined during business hours on each Luxembourg Business Day at the Registered Office of the Company, 11 rue Aldringen, L-1118 Luxembourg:

- a) The Articles;
- b) The Management Company Agreement;
- c) The Depositary Agreement and Paying Agency Agreement;
- d) The Agreements relating to the Domiciliary, Registrar, Administrative and Transfer Agent functions;
- e) The investment management agreement(s), if any;

- f) The general distribution agreement (if any);
- g) The investment advisory agreement(s), if any;
- h) The Prospectus and the latest KIIDs; and
- i) The latest Annual and Semi-Annual Reports.

A person having a complaint about the operation of the Company may submit such complaint in writing to the Management Company at its registered office.

The details of the Management Company's complaint handling procedures as well as the voting rights policy, best execution policy, conflicts of interests rules, etc. may be obtained free of charge during normal office hours at the registered office of the Management Company.

## **PART II – SPECIFIC INFORMATION RELATING TO SUB-FUNDS**

### **SUPPLEMENT 1. VALLBANC INVESTMENT FUND – Iberian Equities**

#### **Investment Objective and policy**

The Sub-Fund will invest at least 75% of its total net assets in equities and equity-related securities, of which at least 90% are represented by equities issued by issuer domiciled in or deriving a significant part of their revenues from Spain and listed on a recognized stock exchange or dealt on another Regulated Market; and shares that are undervalued by the market will be bought without preference for any particular sector.

No preference will be given either to whether companies have high or low levels of capitalisation.

Moreover, the Sub-Fund will be also allowed to invest up to 25% of its total net assets in fixed income, deposits and money market instruments or shares/units of money market UCIs.

Fixed income issuers will preferably be public issuers that present short-term denominated investment grade credit.

No more than 30% of the total net assets of the Sub-Fund will be invested in non-euro currency shares.

If a major downward correction of the stock markets is imminent, the Sub-Fund may temporarily switch the majority of its portfolio into cash and other liquid assets within the limits provided in the Chapter “*Restrictions of the investment policy for all present and futures Sub-Funds*”.

In accordance with the provisions of the Prospectus the Sub-Fund will not enter into OTC derivative transactions nor for this purpose exchange collateral to reduce counterparty risk but may only use listed futures for hedging purpose.

#### **Reference currency**

The net asset value is expressed in EUR.

#### **Risk Profile of the Sub-Fund**

Investments in this Sub-Fund are accordingly recommended to long-term investors who are in a position and prepared to invest in Spanish companies negotiated principally on the Spanish market.

#### **Risk Profile of the typical investor**

The investor needs to accept the risk attached to the equities Spanish market and his time horizon will be of the order of 3-5 or so years. This means that it cannot be excluded that over a period of 3-5 or so years, the return on his investment will not be positive. The investors will therefore have a good tolerance towards risks as well as investors with higher levels of capital who would consider this investment as a good diversification of their portfolio.

#### **Initial Subscription period**

The initial subscription period for this Sub-Fund was opened on January 21, 2002 at price of EUR 100.- per share.

#### **Subscription after the Initial Subscription Period**

Applications must be received by the Registrar and Transfer Agent no later than 1 p.m. (Luxembourg time) on the applicable Valuation Day.

The net asset value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the section “NAV Calculation and Dealings” herebelow.

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

### *Payment procedure*

Payment of the Subscription Price must be made in cleared funds on the second Business Day following the relevant Calculation Day.

Should the second Bank Business Day not be a bank business day compared to the reference currency of the Sub-Fund, the applicable payment day will be the following bank business day of the relevant currency.

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

### **Redemptions**

Redemption applications must be received by the Registrar and Transfer Agent no later than 1 p.m. Luxembourg time on the applicable Valuation Day.

The net asset value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the section "NAV Calculation and Dealings" herebelow.

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

### *Payment procedure*

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

Should the second Bank Business Day not be a bank business day compared to the reference currency of the Sub-Fund, the applicable payment day will be the following bank business day of the reference currency.

Any taxes and duties levied in connection with the redemption of shares of the Company shall be charged to the Shareholder concerned.

### **Conversions**

Conversion applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day. Conversions shall be treated as described in Part I of the Prospectus.

### **NAV Calculation and Dealings**

The net asset value of the Company's assets in the sub-fund (the "Net Asset Value", or "NAV") is calculated each Luxembourg Bank Business Day ("Calculation Day"), dated as of the preceding Business Day ("Valuation Day"), based on the closing prices as of such Valuation Day.

### **Investment Advisor**

As provided for by the investment advisory agreement, the Investment Manager (with the approval of the Board) has appointed Vall Banc Fons SAU, as investment advisor of the Sub-Fund. The Investment Advisor is an Andorran 'single shareholder limited liability company', having its registered office at Carrer de la Unió, 3 planta 1a, AD700 Escaldes-Engordany, Andorra, authorized notably as a *Societat gestora d'organismes d'inversió col·lectiva* by the *Institut Nacional Andorrà de Finances* (INAF).

### **Classes of shares and applicable fees**

Share Class	Subscription Fee*	Redemption Fee*	Investment Management Fee	Investment Advisory Fee	General Distribution Fee	Dividend Policy	Minimum Holding Amount	Performance Fee
R-Class	Max. 1.50%	Max. 1.00%	55% of 1%	45% of 1%	0.75%	Accumulation Shares	n/a	No

\* To be paid to the relevant financial intermediary



## **SUPPLEMENT 2. VALLBANC INVESTMENT FUND – Dolphin Equities**

### **Investment Objective and policy**

The Sub-Fund will invest in equities or equities related instruments negotiated on international markets. Under an active management, the investment policy will aim to invest in securities underperformed in the stock market in order to preserve assets and obtain returns in absolute terms to the shareholder, respecting the criteria of risk diversification and within the limit of the investment restrictions hereafter described. The investment policy will also aim to maintain a sufficient liquidity to be able to face any redemption request.

Moreover, the Sub-Fund will be also allowed to invest up to 25% of its total assets in fixed income, deposits and money market instruments or shares/units of money market UCIs.

If a major downward correction of the stock markets is imminent, the Sub-Fund may temporarily switch the majority of its portfolio into cash and other liquid assets within the limits provided in the Chapter “*Restrictions of the investment policy for all present and futures Sub-Funds*”.

In accordance with the provisions of the Prospectus the Sub-Fund will not enter into OTC derivative transactions nor for this purpose exchange collateral to reduce counterparty risk but may only use listed futures for hedging purpose.

### **Reference currency**

The net asset value is expressed in EUR

### **Risk profile of the Sub-Fund**

Given its investment policy nature, this fund is intended to investors who wish to assume risks attached to investments with international securities with a temporal horizon of at least 3 years.

### **Risk Profile of the typical investor**

This Sub-Fund is suitable for the Investor who is prepared to take the higher risks associated with investments in the stock markets in order to maximise the return. Thus, the Investor should have experience with volatile products and be able to accept temporary losses. A long-term investment horizon, at least 3 years, is required in order to ride out potentially.

### **Initial Subscription period**

The initial subscription period for this Sub-Fund has been opened on January 2, 2007.

The price for the I-Class was EUR 500.- per share and the price for the R-Class was EUR 100.- per share.

### **Subscription after the Initial Subscription Period**

Applications must be received by the Company no later than 1 p.m. (Luxembourg time) on the applicable Valuation Day.

The net asset value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the section “NAV Calculation and Dealings” here below.

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

#### *Payment procedure*

Payment of the Subscription Price must be made in cleared funds on the second Business Day following the relevant Calculation Day.

Should the second Bank Business Day not be a bank business day compared to the reference currency of the Sub-Fund, the applicable payment day will be the following bank business day of the relevant currency.

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

## Redemptions

Redemption applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day.

The net asset value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the section “NAV Calculation and Dealings” here below.

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

### *Payment procedure*

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

Should the second Bank Business Day not be a bank business day compared to the reference currency of the Sub-Fund, the applicable payment day will be the following bank business day of the reference currency.

Any taxes and duties levied in connection with the redemption of shares of the Company shall be charged to the Shareholder concerned.

## Conversions

Conversion applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day. Conversions shall be treated as described in Part I of the Prospectus.

## NAV Calculation and Dealings

The net asset value of the Company's assets in the sub-fund (the "Net Asset Value", or "NAV") is calculated each Luxembourg Bank Business Day (“Calculation Day”), dated as of the preceding Business Day (“Valuation Day”), based on the closing prices as of such Valuation Day.

## Investment Advisor

As provided for by the investment advisory agreement, the Investment Manager (with the approval of the Board) has appointed Vall Banc Fons SAU, as investment advisor of the Sub-Fund. The Investment Advisor is an Andorran ‘single shareholder limited liability company’, having its registered office at Carrer de la Unió, 3 planta 1a, AD700 Escaldes-Engordany, Andorra, authorized notably as a *Societat gestora d'organismes d'inversió col·lectiva* by the *Institut Nacional Andorrà de Finances* (INAF).

The investment advisory agreement has no fixed duration and may be terminated by either party upon giving 90 calendar day's prior written notice.

## Classes of shares and applicable fees

Share Class	Subscription Fee*	Redemption Fee*	Investment Management Fee	Investment Advisory Fee	General Distribution Fee	Dividend Policy	Minimum Holding Amount	Performance Fee
R-Class	Max. 1.50%	Max. 1.00%	55% of 1.75%	45% of 1.75%	0.75%	Accumulation Shares	n/a	No
I-Class	Max. 1.50%	Max. 1.00%	55% of 0.75%	45% of 0.75%	0.75%	Accumulation Shares	n/a	No

\* To be paid to the relevant financial intermediary

## **SUPPLEMENT 3. VALLBANC INVESTMENT FUND – Balanced Fund**

### **Investment Objective and policy**

The objective of the Sub-Fund is to achieve medium to long-term growth by investing mainly in fixed income securities. The Sub-Fund will seek capital growth through investment in a diversified portfolio of bonds and money market instruments, listed on a regulated market, mainly denominated in USD, though it could be denominated in other currencies, including deposits of any credit institution without restriction to the maturity or any predetermination with regard to the location of the issuer.

The Sub-Fund will invest at least two-third of its total net assets in such class of assets, in which at least 20% are invested in instruments having a credit rating ("Investment grade") in order to maintain a diversified portfolio with a limit risk exposure.

On an ancillary basis, the Sub-Fund may also invest up to one-third of its total net assets through investment funds in equities.

In accordance with the provisions of the Prospectus the Sub-Fund will not enter into OTC derivative transactions nor for this purpose exchange collateral to reduce counterparty risk but may only use listed futures for hedging purpose.

### **Reference currency**

The net asset value is expressed in USD.

### **Risk profile of the Sub-Fund**

The Sub-Fund will invest in an internationally diversified portfolio of fixed income securities, such as bonds and money market instruments, the total level of risk in the Sub-Fund is higher than in a national bond investment fund since currency rates often fluctuate more than bond rates.

The assets of the Sub-Fund are subject to normal fluctuations and accordingly; it should be emphasised that the price of the NAV of the Sub-Fund can fluctuate. No guarantee can be given with respect to the performance of the Sub-Fund or return of the capital.

### **Risk Profile of the typical investor**

The Sub-Fund is suitable for investors who wish to invest on a long term basis and have a moderate tolerance of risk. A minimum investment horizon of at least four years is recommended.

### **Initial Subscription period**

The initial subscription period for this Sub-Fund was opened from February 2, 2011 to March 31, 2011 at price of USD 100.- per share.

### **Subscription after the Initial Subscription Period**

Applications must be received by the Company no later than 1 p.m. (Luxembourg time) on the applicable Valuation Day.

The net asset value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the section "NAV Calculation and Dealings" herebelow.

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

#### *Payment procedure*

Payment of the Subscription Price must be made in cleared funds on the second Business Day following the relevant Calculation Day.

Should the second Bank Business Day not be a bank business day compared to the reference currency of the Sub-Fund, the applicable payment day will be the following bank business day of the relevant currency.

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

### Redemptions

Redemption applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day.

The net asset value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the section “NAV Calculation and Dealings” herebelow.

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

#### *Payment procedure*

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

Should the second Bank Business Day not be a bank business day compared to the reference currency of the Sub-Fund, the applicable payment day will be the following bank business day of the reference currency.

Any taxes and duties levied in connection with the redemption of shares of the Company shall be charged to the Shareholder concerned.

### Conversions

Conversion applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day. Conversions shall be treated as described in Part I of the Prospectus.

### NAV Calculation and Dealings

The net asset value of the Company's assets in the sub-fund (the "Net Asset Value", or “NAV”) is calculated each Luxembourg Bank Business Day (“Calculation Day”), dated as of the preceding Business Day (“Valuation Day”), based on the closing prices as of such Valuation Day.

### Investment Advisor

As provided for by the investment advisory agreement, the Investment Manager (with the approval of the Board) has appointed Vall Banc Fons SAU, as investment advisor of the Sub-Fund. The Investment Advisor is an Andorran ‘single shareholder limited liability company’, having its registered office at Carrer de la Unió, 3 planta 1a, AD700 Escaldes-Engordany, Andorra, authorized notably as a *Societat gestora d'organismes d'inversió col·lectiva* by the *Institut Nacional Andorrà de Finances (INAF)*.

The investment advisory agreement has no fixed duration and may be terminated by either party upon giving 90 calendar day's prior written notice.

### Classes of shares and applicable fees

Share Class	Subscription Fee*	Redemption Fee*	Investment Management Fee	Investment Advisory Fee	General Distribution Fee	Dividend Policy	Minimum Holding Amount	Performance Fee
R-Class	Max. 1.50%	Max. 1.00%	55% of 1.50%	45% of 1.50%	0.50%	Distribution Shares	n/a	No

\* To be paid to the relevant financial intermediary

## **SUPPLEMENT 4. VALLBANC INVESTMENT FUND - World Opportunities**

### **Investment Objective and policy**

The primary objective of the Sub-fund is to achieve above-average capital appreciation, principally through investments in equities negotiated on international markets.

Under an active management, the focus will be on securities which are undervalued and/or show potential for growth, without limitations in allocating the Sub-Fund's assets to certain sectors, countries or industries, while respecting in any case the criteria of risk diversification in order to preserve assets and obtain returns in absolute terms to the shareholder.

The investment policy will also aim to maintain a sufficient liquidity to be able to face any redemption request. If a major downward correction of the stock markets seems imminent, the Sub-Fund may temporarily switch the majority of its portfolio into cash and other liquid assets within the limits provided in the Chapter "Restrictions of the investment policy for all present and futures compartments".

In accordance with the provisions of the Prospectus the Sub-Fund will not enter into OTC derivative transactions nor for this purpose exchange collateral to reduce counterparty risk but may only use listed futures for hedging purpose.

### **Reference currency**

The net asset value is expressed in EUR.

### **Risk profile of the Sub-Fund**

Given its investment policy nature, this Sub-Fund is intended to investors who wish to assume risks attached to investments with international securities with a temporal horizon of at least 3 years.

The annualized volatility of the Sub-Fund will be between around 15% to 25%.

### **Risk Profile of the typical investor**

The Sub-Fund suits investors who are prepared to take the higher risks associated with investments in the stock markets in order to maximise the return. Thus, potential investors should have experience with volatile products and be able to accept temporary losses. A long-term investment horizon, at least 3 years, is required in order to ride out potentially.

### **Initial Subscription period**

The initial subscription period for this Sub-Fund has been opened on November 19, 2014 at price of EUR 100,- per share.

### **Subscription after the Initial Subscription Period**

Applications must be received by the Company no later than 1 p.m. (Luxembourg time) on the applicable Valuation Day.

The net asset value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the section "NAV Calculation and Dealings" here below.

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

#### *Payment procedure*

Payment of the Subscription Price must be made in cleared funds on the second Business Day following the relevant Calculation Day.

Should the second Bank Business Day not be a bank business day compared to the reference currency of the Sub-Fund, the applicable payment day will be the following bank business day of the relevant currency.

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

### Redemptions

Redemption applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day.

The net asset value as of the applicable Valuation Day will be calculated on each Calculation Day as defined in the section “NAV Calculation and Dealings” here below.

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

#### *Payment procedure*

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

Should the second Bank Business Day not be a bank business day compared to the reference currency of the Sub-Fund, the applicable payment day will be the following bank business day of the reference currency.

Any taxes and duties levied in connection with the redemption of shares of the Company shall be charged to the Shareholder concerned.

### Conversions

Conversion applications must be received by the Company no later than 1 p.m. Luxembourg time on the applicable Valuation Day. Conversions shall be treated as described in Part I of the Prospectus.

### NAV Calculation and Dealings

The net asset value of the Company's assets in the sub-fund (the "Net Asset Value", or "NAV") is calculated each Luxembourg Bank Business Day (“Calculation Day”), dated as of the preceding Business Day (“Valuation Day”), based on the closing prices as of such Valuation Day.

### Investment Advisor

As provided for by the investment advisory agreement, the Investment Manager (with the approval of the Board) has appointed Vall Banc Fons SAU, as investment advisor of the Sub-Fund. The Investment Advisor is an Andorran ‘single shareholder limited liability company’, having its registered office at Carrer de la Unió, 3 planta 1a, AD700 Escaldes-Engordany, Andorra, authorized notably as a *Societat gestora d'organismes d'inversió col·lectiva* by the *Institut Nacional Andorrà de Finances* (INAF).

The investment advisory agreement has no fixed duration and may be terminated by either party upon giving 90 calendar day's prior written notice.

### Classes of shares and applicable fees

Share Class	Subscription Fee*	Redemption Fee*	Investment Management Fee	Investment Advisory Fee	General Distribution Fee	Dividend Policy	Minimum Holding Amount	Performance Fee
R-Class	Max 1.50%	Max 1%	55% of 3%	45% of 3%	0.95%	Accumulation Shares	n/a	No

\* To be paid to the relevant financial intermediary