

# AXIOM ALTERNATIVE FUNDS SICAV-RAIF

*Société d'investissement à capital variable (SICAV) –  
Reserved Alternative Investment Fund (RAIF)*

A reserved alternative investment fund in the form of an  
investment company with variable capital (SICAV)

subject to the Luxembourg law of 23 July 2016 on  
reserved alternative investment funds, as amended

## Offering Document

25 November 2024

This Fund, qualifying as a reserved alternative investment fund, is an unregulated investment vehicle, which is not subject to the prudential supervision of the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority of the financial sector (CSSF), or any other Luxembourg supervisory authority, although it qualifies as an alternative investment fund within the meaning of the Luxembourg law of 12 July 2013 on alternative investment fund managers. Consequently, this Offering Document will not be submitted to the CSSF or any other Luxembourg supervisory authority for formal approval of this Fund.

## Table of contents

<b>1.</b>	<b>INTRODUCTION .....</b>	<b>1</b>
<b>2.</b>	<b>DIRECTORY.....</b>	<b>3</b>
<b>3.</b>	<b>DEFINITIONS .....</b>	<b>4</b>
<b>4.</b>	<b>INVESTMENT STRATEGY AND RESTRICTIONS .....</b>	<b>11</b>
4.1	Investment strategy.....	11
4.2	Investment restrictions .....	11
4.3	Borrowing policy.....	12
4.4	Liquid assets .....	12
4.5	Financial derivative instruments .....	12
4.6	Securities lending.....	13
4.7	Repurchase agreements and buy-sell back transactions .....	13
4.8	Collateral policy.....	14
<b>5.</b>	<b>GENERAL RISK FACTORS.....</b>	<b>17</b>
5.1	Market risk .....	17
5.2	Liquidity risk .....	19
5.3	Counterparty risk.....	20
5.4	Concentration of Investments.....	20
5.5	Sustainability Risk .....	20
5.6	Operational risk .....	21
5.7	Certain financial instruments and investment techniques.....	24
<b>6.</b>	<b>MANAGEMENT AND ADMINISTRATION .....</b>	<b>27</b>
6.1	The Board of Directors .....	27
6.2	The AIFM.....	27
6.3	The Depositary.....	30
6.4	The Administrator and Domiciliary Agent.....	31
6.5	The Auditor .....	31
6.6	Conflicts of interest.....	31
6.7	Execution of transactions .....	32
<b>7.</b>	<b>SHARES.....</b>	<b>33</b>
7.1	Shares, Sub-Funds and Share Classes.....	33
7.2	Distribution policy .....	35
7.3	Eligible Investors .....	35
7.4	Subscription for Shares .....	36
7.5	Redemption of Shares .....	39
7.6	Conversion of Shares.....	41
7.7	Transfer of Shares .....	43
7.8	Special considerations .....	44
7.9	Late trading, market timing and other prohibited practices .....	45
7.10	Prohibited Persons.....	46
7.11	Prevention of money laundering .....	47
<b>8.</b>	<b>VALUATION AND NET ASSET CALCULATION .....</b>	<b>49</b>
8.1	Calculation of the Net Asset Value .....	49
8.2	Valuation procedure .....	49
8.3	Temporary Suspension of Calculation of Net Asset Value and of Issues, Redemptions and Conversions .....	54
8.4	Publication of the Net Asset Value .....	56
<b>9.</b>	<b>FEES AND EXPENSES.....</b>	<b>57</b>
9.1	Subscription Fee, Redemption Fee and Conversion Fee.....	57
9.2	Management Fee.....	57

9.3	Performance Fee .....	57
9.4	Other Fees.....	57
9.5	Extraordinary costs and expenses.....	58
9.6	Formation costs and expenses.....	58
<b>10.</b>	<b>GENERAL INFORMATION.....</b>	<b>59</b>
10.1	Reports and financial statements .....	59
10.2	Meetings of shareholders .....	59
10.3	Investors' rights.....	60
10.4	Changes to this Offering Document.....	60
10.5	Documents and information available.....	61
10.6	Data protection.....	61
10.7	Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy Regulation .....	63
10.8	Merger and reorganisation .....	64
10.9	Liquidation .....	65
<b>11.</b>	<b>TAXATION .....</b>	<b>67</b>
<b>11.1</b>	<b>General .....</b>	<b>67</b>
<b>11.2</b>	<b>Taxation of the Fund .....</b>	<b>67</b>
<b>11.3</b>	<b>Taxation of the investors .....</b>	<b>68</b>
	<b>SUPPLEMENT I: AXIOM CREDIT OPPORTUNITY .....</b>	<b>75</b>
	<b>SUPPLEMENT II: AXIOM LIQUID RATES.....</b>	<b>89</b>

## 1. INTRODUCTION

This Offering Document contains information about **AXIOM ALTERNATIVE FUND SICAV-RAIF** that a prospective investor should consider before investing in the Fund and should be retained for future reference.

The Fund is a public limited company (*société anonyme*) incorporated under the laws of Luxembourg as an investment company with variable share capital – reserved alternative investment fund (*société d'investissement à capital variable – fonds d'investissement alternatifs réservés*) and qualifies as an alternative investment fund (AIF) within the meaning of the AIFMD (as defined below). The manager must be an external AIFM within the meaning of the amended law of 12 July 2013 on alternative investment fund managers. The Fund is subject to the Luxembourg law of 23 July 2016 on reserved alternative investment funds, as amended or supplemented from time to time.

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Shares in the Fund are shares in a specific Sub-Fund. The Fund may issue Shares of different Share Classes in each Sub-Fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors. Investors should refer to the Supplement for further information on characteristics of Share Classes.

The Fund has been incorporated in Luxembourg on the 30 November 2018 for an unlimited duration and is registered with the Luxembourg Trade and Companies Register under number B 230.094. The latest version of the Articles of Association was published in the *Recueil électronique des sociétés et associations* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg, on 13 December 2018.

The Offering Document is based on information, law and practice at the date hereof. The Fund cannot be bound by an out of date offering document when it has issued a new offering document, and investors should check with the AIFM and on website [www.axiom-ai.com](http://www.axiom-ai.com) that this is the most recently published offering document. Neither delivery of the Offering Document nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof.

The information contained in this Offering Document is supplemented by the financial statements and further information contained in the latest Annual Report of the Fund, copies of which may be requested free of charge from the AIFM.

No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Offering Document and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorised.

The Board of Directors has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Board of Directors accepts responsibility accordingly.

The distribution of the Offering Document and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. The Offering Document does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of any persons

wishing to make an application for Shares pursuant to this Offering Document to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. In particular, US Persons may be considered as Prohibited Persons.

The distribution of this Offering Document in some jurisdictions may require the translation of this Offering Document into the languages specified by the regulatory authorities of those jurisdictions. In case of inconsistency between the translated and the English version of this Offering Document, the English version shall prevail.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisers to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences 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, redemption, conversion or disposal of the Shares of the Fund.

The Shares are reserved to Eligible Investors, as further described in section 7.3 (Eligible Investors) of this Offering Document. Eligible Investors include well-informed investors (*investisseurs avertis*) within the meaning of article 2 (1) of the 2016 Law. For further details please refer to the definitions "Eligible Investors" and "Well-Informed Investor" set out in section 3 (Definitions) as well as to section 7.3 (Eligible Investors) of this Offering Document.

The Fund is only offered or sold to Eligible Investors qualifying as Professional Investors and as a consequence, no PRIIPs KIDs within the meaning of Regulation No. 1286/2014 the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products will be issued.

**THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE FUND INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL.**

## **2. DIRECTORY**

### **Registered office of the Fund**

5, allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### **Board of Directors**

David Ben Amou  
Managing Partner  
Axiom Alternative Investments  
France

Laurent Surjon  
Director Business Development  
Axiom Alternative Investments  
France

Guillaume Carriou  
General Secretary  
Axiom Alternative Investments  
France

Christophe Arnould  
Independent Director  
Luxembourg

### **AIFM**

Axiom Alternative Investments  
39 Avenue Pierre 1er de Serbie  
F- 75008 Paris  
France

### **Board of Directors of the AIFM**

*Mr. David Ben Amou*

*Mr. Jérôme Legras*

*Mr. Adrian Paturle*

*Mr. Gregory Raab*

*Mr. Philippe Cazenave*

*Mr. Laurent Surjon*

*Mr. Guillaume Carriou*

### **Depository**

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### **Administrator**

CACEIS Bank, Luxembourg Branch  
5, allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### **Distributor**

Axiom Alternative Investments  
39 Avenue Pierre 1er de Serbie  
F- 75008 Paris  
France

### **Auditor**

PricewaterhouseCoopers, société  
coopérative  
2, rue Gerhard Mercator,  
L-2182 Luxembourg  
Grand Duchy of Luxembourg

### **Legal adviser as to matters of Luxembourg law**

Elvinger Hoss Prussen SA  
2, Place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

### 3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as may be amended from time to time.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.
2013 Law	the Luxembourg law of 12 July 2013 on alternative investment fund managers, as may be amended from time to time.
2016 Law	the Luxembourg law of 23 July 2016 on reserved alternative investment funds, as may be amended from time to time.
Administration Agreement	the agreement entered into between the AIFM and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration, paying, registrar and transfer, domiciliation and corporate agent appointed by the AIFM in accordance with the provisions of the 2016 Law and the Administration Agreement, as identified in the Directory.
AIF	an alternative investment fund within the meaning of the 2013 Law and the AIFMD.
AIFM	the alternative investment fund manager of the Fund within the meaning of the 2013 Law and the AIFMD, as identified in the Directory.
AIFM Laws and Regulations	the 2013 Law, the AIFMD Level 2 Regulation, any further delegated regulations issued by the European Commission in connection with the AIFMD and any further Luxembourg transposing legislation in connection with the AIFMD and related delegated acts, as well as any applicable direction, policy, circular, guideline, rule or order (whether formal or informal) that is made or given by the CSSF or ESMA in connection herewith, as may be amended from time to time.
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as may be amended from time to time.
AIFMD Level 2 Regulation	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as may be amended from time to time.
Annual Report	the report issued by the Fund as of the end of each financial year in accordance with the 2016 Law.

Articles of Association	the articles of association of the Fund, as may be amended from time to time.
Brussels I (Recast)	Regulation (EU) No 1215/2015 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).
Board of Directors	the board of directors of the Fund.
Business Day	any day on which Euronext and banks are open the whole day in Luxembourg, the United Kingdom and in such other countries or cities as may be specified for a Sub-Fund or Share Class in a Supplement.
Capitalisation Shares	Shares with respect to which the Fund does not intend to distribute dividends.
Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares.
Conversion Fee	a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.
Conversion Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares.
CRS	the Common Reporting Standard, within the meaning of the Standard for Automatic Exchange of Financial Account Information in Tax Matters, as set out in the Luxembourg law on the Common Reporting Standard.
CSSF	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector, or its successor authority.



Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund or Share Class in the Supplement.
Depository	the depository appointed by the Fund in accordance with the provisions of the 2016 Law, the 2013 Law, and the Depository Agreement, as identified in the Directory.
Depository Agreement	the agreement entered into between the Fund, the AIFM, and the Depository governing the appointment of the Depository, as may be amended or supplemented from time to time.
Directive 2009/65/EC or the UCITS Directive	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 (UCITS) (recast), as may be amended from time to time.
Distribution Shares	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
Eligible Investor	an investor who (i) is a Well-Informed Investor and (ii) satisfies all additional eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement or in the general part of the Offering Document. It being noted that, as at the date of this Offering document, the Fund is only offered to Professional Investors.
ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR	the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
FATCA	the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA).
Fund	AXIOM ALTERNATIVE FUNDS SICAV RAIF
Initial Offer Period	the first day or period on or during which Shares of a Share Class will be or were available for subscription.

Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer Period.
Institutional Investor	an institutional investor as defined for the purposes of the 2016 Law and by the administrative practice of the CSSF.
Investment Manager	the investment manager appointed by the AIFM (as the case may be) for a specific Sub-Fund as further detailed in the Supplement.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.
Management Agreement	the agreement entered into between the Fund and the AIFM governing the appointment of the AIFM, as may be amended or supplemented from time to time.
Management Fee	the fee payable by the Fund to the AIFM under the Management Agreement.
Member State	a State that is a contracting party to the Agreement creating the European Union. The States that are contracting parties to the Agreement creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
MiFID	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast).
Net Asset Value	as the context indicates, the net asset value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Offering Document.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.
New Shares	Shares described in section 7.6 (Conversion of Shares) of this Offering Document.
Non-Member States	any State, other than a Member State, in Europe, America, Africa, Asia or Oceania.
OECD	the Organisation for Economic Cooperation and Development.
Offering Document	this offering document including all Supplements, as may be amended from time to time.
Original Shares	Shares described in section 7.6 (Conversion of Shares) of this Offering Document.

Performance Fee	the fee which may be payable to the AIFM depending on the performance of certain Sub-Funds or Share Classes, where applicable, as described in section 9.3 (Performance Fee) of this Offering Document.
Professional Investor	an investor who is considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II to MiFID.
Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Association and section 7.10 (Prohibited Persons) of this Offering Document.
RAIF	a reserved alternative investment fund subject to the 2016 Law.
Redemption Day	a Valuation Day on which Shares may be redeemed by the Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit redemptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction for further details.
Redemption Fee	a fee which the Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Redemption Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares.
Redemption Price	the price at which the Fund may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Offering Document.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming investors, subject to the provisions of this Offering Document.
Reference Currency	as the context indicates, (i) in relation to the Fund, the EUR, or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement, or (iii) in relation to a Share Class, the currency in which the Shares of that Share Class are denominated, as specified in each Supplement.

SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended from time to time.
Share Class	a class of Shares of a Sub-Fund created by the Board of Directors, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Offering Document. For the purposes of this Offering Document, each Sub-Fund shall be deemed to comprise at least one Share Class.
Shares	shares of a Sub-Fund or Share Class issued by the Fund.
Sub-Fund	a sub-fund of the Fund, as described in section 7.1 (Shares, Sub-Funds and Share Classes) of this Offering Document.
Subscription Day	a Valuation Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit redemptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction for further details.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable. This amount will be payable to the sales agents.
Subscription Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares.
Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Offering Document.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement.
Supplement	the supplement(s) to this Offering Document for each specific Sub-Fund, which form part of this Offering Document.
Sustainability Factor	environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Sustainability Risk	an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by a Sub-Fund.
Target Sub-Fund	a Sub-Fund into which another Sub-Fund will or might invest in accordance with the provisions of this Offering Document.
Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as may be amended from time to time
UCI	undertaking for collective investment.
UCITS	undertakings for collective investment in transferable securities within the meaning of Directive 2009/65/EC.
US Person or United States Person	<p>Any United States Person as defined in Regulation S under the United States Securities Act of 1933, as amended, among others, a citizen or resident of the United States of America, a partnership organized or existing in any state, territory or possession of the United States of America or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the laws of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction.</p> <p>"United States Persons" or "US Persons" shall be construed accordingly. For the purposes of further clarity, the term US Person shall not include any person whose application has been approved by the Board of Directors in its sole discretion.</p>
Valuation Day	a Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.
Well-Informed Investor	a well-informed investor as defined in article 2(1) of the 2016 Law, as described in section 7.3 (Eligible Investors) of this Offering Document.

## 4. INVESTMENT STRATEGY AND RESTRICTIONS

### 4.1 Investment strategy

The Board of Directors has determined the investment objective and investment policy of each of the Sub-Funds as described in the Supplements to this Offering Document. The Board of Directors may impose further investment restrictions or guidelines in respect of any Sub-Fund from time to time. There can be no assurance that the investment objective of any Sub-Fund will be attained.

Pursuit of the investment objective and investment policy of any Sub-Fund will, in principle, be in compliance with the limits and restrictions set out in section 4.2 (Investment restrictions) below and the section "Investment policy and specific restrictions" in the Supplement. In case of discrepancies, the rules and limits of the Supplement shall prevail.

### 4.2 Investment restrictions

- a) A Sub-Fund shall not invest more than 30% of its net assets (or subscription commitments, if any) in securities of the same type issued by the same issuer.

However, this restriction does not apply to:

- investments in securities issued or guaranteed by an OECD Member State or its regional or local authorities or by EU, regional or global supranational institutions and bodies, and
- investments in target undertakings for collective investments (UCIs) that are subject to risk-spreading requirements at least comparable to those applicable to reserved alternative investment funds (RAIFs).

For the purpose of the application of this restriction, every sub-fund of a target umbrella UCI is to be considered as a separate issuer provided that the principle of segregation of liabilities among the various sub-funds vis-à-vis third parties is ensured.

- b) Short sales may not, in principle, result in any Sub-Fund holding a short position in securities of the same type issued by the same issuer representing more than 30% of its net assets.
- c) When using financial derivative instruments, a Sub-Fund must ensure, via appropriate diversification of the underlying assets, a similar level of risk-spreading. Similarly, the counterparty risk in an over-the-counter (OTC) transaction must, where applicable, be limited having regard to the quality and qualification of the counterparty.

Depending on its investment strategy and on the nature of its investments, certain of the investment restrictions set out above may not be applicable to a specific Sub-Fund, as specified in the relevant Supplement.

The restrictions set out above are only applicable after a ramp-up period of twelve (12) months following the launch date of a Sub-Fund, unless set out otherwise in the Supplement.

- d) Each Sub-Fund may subscribe, acquire, and/or hold securities to be issued or issued by another Sub-Fund of the Fund (the "**Target Sub-Fund**") provided that:

- the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund;
- voting rights, if any, attached to the relevant Shares are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports;
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2016 Law.

### **4.3 Borrowing policy**

Each Sub-Fund may borrow within the limits further described in the Supplement. Unless otherwise stated in the Supplement, borrowings may be utilised for investment purposes as well as bridge financing and to fund expense disbursements when liquid funds are not readily available. The assets of a Sub-Fund may be charged as security for any such borrowings.

### **4.4 Liquid assets**

Each Sub-Fund may invest in cash and cash equivalents within the limits further described in the Supplement.

### **4.5 Financial derivative instruments**

Each Sub-Fund may invest in financial derivative instruments either for hedging purposes, in particular for the purpose of hedging risks connected to the evolution of stock markets or for the purpose of hedging interest rates, or for a purpose other than hedging, as further described for each Sub-Fund in the Supplement.

The financial derivative instruments can include, in particular, financial futures contracts, options (on equities, interest rates, indices, bonds, currencies, commodity indices or other instruments), forward contracts (including foreign exchange contracts), swaps (including total return swaps, foreign exchange swaps, commodity index swaps, interest rate swaps, and swaps on baskets of equities), credit derivatives (including credit default derivatives, credit default swaps and credit spread derivatives), warrants and structured financial derivative instruments such as credit-linked and equity linked securities contracts for differences (CFDs) and any other derivative instruments traded over-the-counter ("**OTC**"). No geographical or other restriction applies to the selection of the assets underlying these financial derivative instruments, provided the underlying assets are instruments that are consistent with the relevant Sub-Fund's investment policy.

The counterparties to financial derivative instruments will be selected among financial institutions subject to prudential supervision (such as credit institutions or investment firms) which have their registered office in one of the OECD countries and specialised in the relevant type of transaction with a minimum credit rating of investment grade quality or a credit quality considered equivalent by the AIFM. The identity of the counterparties will be disclosed in the Annual Report.

The AIFM uses a process for accurate and independent assessment of the value of financial derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under financial derivatives, the Sub-Fund may receive cash or other assets as collateral.

Each Sub-Fund can also enter into one or several total return swap to gain exposure to reference assets, which may be invested according to the investment policy of the relevant Sub-Fund. A total return swap ("**TRS**") is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

The expected and maximum proportion of the total net assets of each Sub-Fund which may be subject to these TRS transactions will be disclosed in the relevant Supplement, if applicable.

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary or the AIFM, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement. All revenues arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund.

#### **4.6 Securities lending**

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Where specified in its Supplement, a Sub-Fund may enter into securities lending transactions as lender of securities or instruments. Securities lending transactions are, in particular, subject to the following conditions:

- (A) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law.
- (B) a Sub-Fund may only lend securities or instruments to a borrower either directly, through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction; and
- (C) a Sub-Fund may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities or instruments lent or to terminate the agreement.

#### **4.7 Repurchase agreements and buy-sell back transactions**

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such



transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

Where specified in its Supplement, a Sub-Fund may enter into repurchase agreements and/or buy-sell back transactions as buyer or seller of securities or instruments. Such transactions are, in particular, subject to the following conditions:

- (A) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law. and
- (B) the Sub-Fund must be able, at any time, to terminate the agreement or recall the full amount of cash in a reverse repurchase agreement or buy-sell back transaction (on either an accrued basis or a mark-to-market basis) or any securities or instruments subject to a repurchase agreement or sell-buy back transaction. Fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow cash or assets to be recalled at any time.

#### **4.8 Collateral policy**

This section sets out the policy adopted by the AIFM for the management of collateral received for the benefit of each Sub-Fund in the context of financial derivatives instruments, securities lending transactions, repurchase agreements and buy-sell back transactions.

##### **4.8.1 Eligible collateral**

Collateral received for the benefit of a Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. In particular, collateral received for the benefit of a Sub-Fund should comply with the following conditions:

- (A) collateral other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (B) collateral should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;
- (C) collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (D) collateral should be sufficiently diversified in terms of countries, markets and issuers;
- (E) where there is a title transfer, collateral received should be held by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such

collateral. For other types of collateral arrangement (e.g. a pledge), 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;

- (F) collateral should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

Subject to the above conditions, permitted forms of collateral include:

#### **4.8.2 Level of collateral**

The level of collateral required for financial derivatives transactions will be determined as per the agreements in place with the individual counterparties, taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Offering Document.

#### **4.8.3 Haircut policy**

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class. The AIFM takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

The AIFM expects that the maximum valuation percentages specified in the table below will be used in the calculation of the value of collateral received by the Sub-Fund. The value of collateral will correspond to the market value of the securities multiplied by a factor equal to or lower than the specified maximum valuation percentage:

<b>Category of collateral</b>	<b>Valuation percentage</b>
Cash in eligible currencies	100%
Government and supranational bonds	Up to 50%
Other permitted forms of collateral	Up to 100%

#### **4.8.4 Stress tests**

Where a Sub-Fund receives collateral, other than cash, for at least 30% of its assets, regular stress tests will be carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy includes, without limitation, (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis; (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (iii) reporting frequency and limit/loss tolerance thresholds; and (iv) mitigation actions to reduce loss, including haircut policy and gap risk protection.

#### **4.8.5 Reinvestment of collateral**

Non-cash collateral received for the benefit of a Sub-Fund may not be sold, re-invested or pledged. Cash collateral received for the benefit of a Sub-Fund can only be:

- (A) placed on deposit with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (B) invested in high-quality government bonds;
- (C) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or
- (D) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA (CESR/10-049) as may be amended from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for the Sub-Fund, as described in section 5 (General Risk Factors) below.

#### **4.8.6 Centrally cleared OTC derivatives**

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Generally, centrally-cleared OTC derivatives may be cleared under the agency model or the principal-to-principal model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central counterparty, whereas under the agency model there is one transaction between the Fund and the central counterparty. For these trades, the Fund will post and/or receive collateral for the benefit of a Sub-Fund in the form of margin payments, as agreed with the clearing broker in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Fund will ensure that variation margin receivable from the clearing broker is consistent with its collateral policy. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely, as described in section 5.7.1 (OTC financial derivative instruments) below.

## **5. GENERAL RISK FACTORS**

The performance of the Shares depends on the performance of the investments of the Sub-Fund, which may increase or decrease in value. The past performance of the Shares is not an assurance or guarantee of future performance. The value of the Shares at any time could be significantly lower than the initial investment and investors may lose a portion or even the entire amount originally invested.

Investment objectives express an intended result only. Unless otherwise specified in a Supplement, the Shares do not include any element of capital protection and the Fund gives no assurance or guarantee to any investors as to the performance of the Shares. Depending on market conditions and a variety of other factors outside the control of the Fund, investment objectives may become more difficult or even impossible to achieve. The Fund gives no assurance or guarantee to any investors as to the likelihood of achieving the investment objective of a Sub-Fund.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences 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, redemption, conversion or disposal of the Shares of the Fund.

Investors should also carefully consider all of the information set out in this Offering Document and the Supplement of the Sub-Fund before making an investment decision with respect to Shares of any Sub-Fund or Share Class. The following sections are of general nature and describe certain risks that are generally relevant to an investment in Shares of any Sub-Fund or Share Class. Other risks may be described in the Supplement. This section and the Supplements do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Sub-Fund or Share Class and other risks may also be or become relevant from time to time.

### **5.1 Market risk**

Market risk is understood as the risk of loss for a Sub-Fund resulting from fluctuation in the market value of positions in its portfolio attributable to changes in market variables, such as general economic conditions, interest rates, foreign exchange rates, or the creditworthiness of the issuer of a financial instrument. This is a general risk that applies to all investments, meaning that the value of a particular investment may go down as well as up in response to changes in market variables. Although it is intended that each Sub-Fund will be diversified with a view to reducing market risk, the investments of a Sub-Fund will remain subject to fluctuations in market variables and the risks inherent in investing in financial markets.

#### **5.1.1 Economic risk**

The value of investments held by a Sub-Fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to factors affecting a particular, industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the

economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from the advance.

### **5.1.2 Interest rate risk**

The performance of a Sub-Fund may be influenced by changes in the general level of interest rates. Generally, the value of fixed income instruments will change inversely with changes in interest rates: when interest rates rise, the value of fixed income instruments generally can be expected to fall and vice versa. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce interest rate risk, generally through the use of interest rate futures or other derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

### **5.1.3 Foreign exchange risk**

Each Sub-Fund investing in securities denominated in currencies other than its Reference Currency may be subject to foreign exchange risk. As the assets of each Sub-Fund are valued in its Reference Currency, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in such other currencies. Foreign exchange exposure may increase the volatility of investments relative to investments denominated in the Reference Currency. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce foreign exchange risk, generally through the use of derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

### **5.1.4 Credit risk**

Sub-Funds investing in fixed income instruments will be exposed to the creditworthiness of the issuers of the instruments and their ability to make principal and interest payments when due in accordance with the terms and conditions of the instruments. The creditworthiness or perceived creditworthiness of an issuer may affect the market value of fixed income instruments. Issuers with higher credit risk typically offer higher yields for this added risk, whereas issuers with lower credit risk typically offer lower yields. Generally, government debt is considered to be the safest in terms of credit risk, while corporate debt involves a higher credit risk. Related to that is the risk of downgrade by a rating agency. Rating agencies are private undertakings providing ratings for a variety of fixed income instruments based on the creditworthiness of their issuers. The agencies may change the rating of issuers or instruments from time to time due to financial, economic, political, or other factors, which, if the change represents a downgrade, can adversely impact the market value of the affected instruments.

### **5.1.5 Commodities risk**

Where specified in the Supplements, certain Sub-Funds may invest in instruments providing exposure to the commodities market, including financial derivative instruments referencing commodities indices and financial instruments or funds linked to, or backed by the performance of, commodities. Investments in derivatives related to commodities can be highly volatile: market prices of commodities derivatives may fluctuate rapidly. The price of commodities

derivatives may fluctuate based on numerous factors, including changes in supply and demand (whether actual or perceived, anticipated or unanticipated) and other trading considerations generally or in the relevant commodity, domestic and international political, monetary and economic events and policies, and other public or private policies, actions or inactions, natural events such as weather conditions, agricultural factors, diseases, or technological developments. The current or "spot" prices of commodities may also affect the prices of futures contracts in respect of the relevant commodity.

### **5.1.6 Volatility**

The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Sub-Fund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

### **5.1.7 Short positions**

Certain Sub-Funds may use financial derivative instruments such as swaps, futures and forwards in order to obtain a short exposure to certain securities or other assets. A synthetic short position replicates the economic effect of a transaction in which a fund sells a security or asset it does not own but has borrowed, in anticipation that the market price of that security or asset will decline. When a Sub-Fund initiates such a synthetic short position in a security or asset that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. If the price of the security or asset on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-fund will incur a loss; conversely, if the price declines, the Sub-Fund will realise a gain. Any gain will be decreased and any loss increased by transactional costs and fees. Although a Sub-Fund's gain is limited to the price at which it opened the synthetic short position, its potential loss may be substantially higher. Stop loss policies are typically employed to limit losses. Each Sub-Fund is required to maintain sufficiently liquid assets to cover any obligations arising from its short positions at any time.

## **5.2 Liquidity risk**

Liquidity refers to the speed and ease with which investments can be sold or liquidated or a position closed. On the asset side, liquidity risk refers to the inability of a Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time. On the liability side, liquidity risk refers to the inability of a Sub-Fund to raise sufficient cash to meet a redemption request due to its inability to dispose of investments. In certain circumstances, investments may become less liquid or illiquid due to a variety of factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, a Sub-Fund may invest in financial instruments traded over-the-counter or OTC, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for a Sub-Fund and/or compromise the ability of the Sub-Fund to meet a redemption request.

### **5.3 Counterparty risk**

Counterparty risk refers to the risk of loss for a Sub-Fund resulting from the fact that the counterparty to a transaction entered into by the Sub-Fund may default on its contractual obligations. There can be no assurance that an issuer or counterparty will not be subject to credit or other difficulties leading to a default on its contractual obligations and the loss of all or part of the amounts due to the Sub-Fund. This risk may arise at any time the assets of a Sub-Fund are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. For instance, counterparty risk may arise when a Sub-Fund has deposited cash with a financial institution, or invests into debt securities and other fixed income instruments. Counterparty risk may also arise when a Sub-Fund enters into OTC financial derivative instruments, or enters into securities lending transactions, repurchase agreements, and buy-sell back transactions as further described below.

### **5.4 Concentration of Investments**

In certain circumstances, a Sub-Fund may not be able to make investments which would provide a desired level of diversification. When a Sub-Fund participates in a limited number of investments, the aggregate return of the Sub-Fund may be materially and adversely affected by the unfavourable performance of a single investment. The ability of the Sub-Fund to diversify the risks of its investments will depend upon the size, characteristics, types, classes and locations of the investments available. Investment in a non- or less diversified Sub-Fund will generally entail greater risks than investment in a "diversified" Sub-Fund.

### **5.5 Sustainability Risk**

Sustainability Risk is linked to climate-related events resulting from climate change (physical risks) or to the society's response to climate change (transition risks), which may result in unanticipated losses that could affect a Sub-Fund's investments and financial condition. Social events (e.g., inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g., recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. The Sustainability Risks generally revolve around the following themes, without limitation:

- corporate governance malpractices (e.g. board structure, board skills and diversity, executive remuneration, independence of risk management function);
- shareholder rights (e.g. election of directors, capital amendments);
- changes to regulation (e.g. greenhouse gas emissions restrictions, governance codes);
- physical threats (e.g. extreme weather, climate change, water shortages);
- brand and reputational issues (e.g. poor health & safety records, cyber security breaches);
- supply chain management (e.g. increase in fatalities, lost time injury rates, labour relations); and
- work practices (e.g. observation of health, energy consumption, gender diversity, employee and product safety and human rights provisions).

In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value. As such, for a company in which a Sub-Fund invests, this may be because of damage to its reputation resulting in a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities,

increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of fines and other regulatory sanctions. The time and resources of the company's management team may be diverted from furthering its business into dealing with the Sustainability Risk event, including changes to business practices and dealing with investigations and litigation. Sustainability Risks events may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by companies to which the relevant Sub-Fund is exposed may also be adversely impacted by a Sustainability Risk event.

A Sustainability Risk event may arise and impact a specific investment or may have a broader impact on an economic sector, geographical or political region or country. Sector and geographic Sustainability Risk events may have an impact on the investment value of the sovereign fixed income exposure of a Sub-Fund.

## **5.6 Operational risk**

Operational risk means the risk of loss for the Fund resulting from inadequate internal processes and failures in relation to people and systems of the Fund, the AIFM and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Fund.

### **5.6.1 Valuation**

Certain Sub-Funds may hold investments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market. In addition, in certain circumstances, investments may become less liquid or illiquid. Such investments will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or liquidation prices of investments.

### **5.6.2 Laws and regulations**

The Fund may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting and enforcing rights may have a material adverse effect on the Sub-Funds and their operations.

### **5.6.3 FATCA**

Capitalised terms used in this section should have the meaning as set forth in the Luxembourg IGA and FATCA Law (as defined below), unless provided otherwise herein.

The Fund may be subject to regulations imposed by foreign regulators, in particular, the United States laws and regulations known as FATCA. FATCA provisions generally impose a reporting obligation to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and US Persons' (within the meaning of FATCA) direct and indirect ownership of non-US accounts and non-US entities. Failure to provide the requested information will result in a 30% withholding tax applying to certain US source income (including



dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends as well as penalties.

Under the terms of FATCA, the Fund will be treated as a Foreign Financial Institution within the meaning of FATCA. As such, the Fund may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Fund become subject to a withholding tax as a result of FATCA, the value of the Shares held by shareholders may be materially affected.

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

Notwithstanding any other provision of this Offering Document and to the extent permitted by Luxembourg law, the Fund shall have the right to: (i) withhold on any payment to investors an amount equal to any taxes or similar charges required by applicable laws and regulations to be withheld in respect of any shareholding in the Fund, (ii) require any investor or beneficial owner of Shares to promptly provide such personal data as may be required by the Fund in its discretion in order to comply with applicable laws and regulations and/or determine the amount to be withheld; (iii) divulge any such personal data to any tax authority, as may be required by applicable laws and regulations or requested by such authority; (iv) delay payments to any investor, including any dividend or redemption proceeds, until the Fund holds sufficient information to comply with applicable laws and regulations and/or determine the amount to be withheld.

#### **5.6.4 Common Reporting Standard**

Capitalised terms used in this section should have the meaning as set forth in the CRS-Law (as defined hereafter), unless provided otherwise herein.

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax Matters and its Common Reporting Standard ("CRS") as set out in the Luxembourg law dated 18 December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the "CRS-Law").

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

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

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

Investors are further informed that the CRS Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS-Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, investors undertake to inform the Fund within thirty (30) days of receipt of these statements should any personal data not be accurate. The investors further undertake to inform the Fund within thirty (30) days of, and provide the Fund with all supporting documentary evidence of any changes related to the CRS Information after occurrence of such changes.

Any investor that fails to comply with the Fund's CRS Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor's failure to provide the CRS Information.

#### **5.6.5 Segregation of Sub-Funds**

The Fund is a single legal entity incorporated as an "umbrella fund" comprised of separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds. Moreover, under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Sub-Fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

#### **5.6.6 Risk related to Terrorist Attack, War, Natural Disaster or Pandemic**

The operations of the Fund and counterparties with which the Fund do business could be severely disrupted in the event of a major terrorist attack or the outbreak, continuation or expansion of war or other hostilities.

Additionally, a serious pandemic, or a natural disaster, such as a hurricane or a super typhoon, could severely disrupt the global economy and the operation of the Fund. In particular, the recent "novel coronavirus" (COVID-19) outbreak in Wuhan, PRC (the People's Republic of China), which has also affected other parts of PRC and the world, could have a material and adverse effect on the operation of the Fund, the AIFM, the Investment Manager (if any) and other service providers in managing and operating the Fund. In the event of a serious pandemic or natural disaster, for safety and public policy reasons, each the AIFM, the Investment Manager (if any) and other service providers may, to the extent they are affected by such

pandemic or natural disaster, be required to temporarily shut down their offices and to prohibit their respective employees from going to work. Any such closure could severely disrupt the services provided to the Fund and materially and adversely affect the Fund's operation.

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Prospectus, the countries remain in active conflict. Around the same time, the United States, the UK, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian oligarchs. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Sub-Funds invest), and therefore could adversely affect the performance of the Sub-Funds' investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, present material uncertainty and risk with respect to the Fund and the performance of its investments and operations, and the ability of the Fund to achieve its investment objectives. Similar risks will exist to the extent that any service providers or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

## **5.7 Certain financial instruments and investment techniques**

### **5.7.1 OTC financial derivative instruments**

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not *bona fide*) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Sub-Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by the Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly report to the Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Offering Document. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

### **5.7.2 Securities lending, repurchase agreements and buy-sell back transactions**

Securities lending transactions, repurchase agreements and buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending transactions, repurchase agreements and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending transactions, repurchase agreements and buy-sell back transactions also entail liquidity risks due, *inter alia*, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the

ability of the Fund to meet redemption requests. The Sub-Fund may also incur operational risks such as, *inter alia*, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

The Sub-Funds may enter into securities lending transactions, repurchase agreements and buy-sell back transactions with other companies in the same group of companies as the AIFM. Affiliated counterparties, if any, will perform their obligations under any securities lending transactions, repurchase agreements and buy-sell back transactions concluded with a Sub-Fund in a commercially reasonable manner. In addition, the AIFM will select counterparties and enter into transactions in accordance with best execution principles. However, investors should be aware that the AIFM may face conflicts between its role and its own interests or that of affiliated counterparties.

### **5.7.3 Collateral management**

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

## **6. MANAGEMENT AND ADMINISTRATION**

### **6.1 The Board of Directors**

The members of the Board of Directors will be elected by the general meeting of shareholders. The Board of Directors is vested with the broadest powers to act on behalf of the Fund and to take any actions necessary or useful to fulfil the Fund's corporate purpose, subject to the powers expressly assigned by law or the Articles of Association to the general meeting of shareholders.

The Board of Directors is responsible for conducting the overall management and business affairs of the Fund in accordance with the Articles of Association. In particular, the Board of Directors is responsible for defining the investment objective and policy of the Sub-Funds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the AIFM and the general monitoring of the performance and operations of the Fund.

### **6.2 The AIFM**

The Fund has appointed the AIFM as its alternative investment fund manager in accordance with the provisions of the 2016 Law and the 2013 Law pursuant to the Management Agreement.

The AIFM is a *société à responsabilité limitée* incorporated under the laws of France. The AIFM is authorised and regulated by the Autorité des Marchés Financiers in France. Its main purpose is the management of UCITS and other UCIs including the investment management, the administration and the marketing of UCITS and other UCIs as well as the provision of AIFM services to AIFs.

The relationship between the Fund and the AIFM is subject to the terms of the Management Agreement. Under the terms of the Management Agreement, the AIFM is responsible for the portfolio and risk management and administration of the Fund as well as the marketing of the Shares, subject to the overall supervision of the Board of Directors. This includes in particular the monitoring of the investment policy, investment strategies and performance, as well as risk management, liquidity management, management of conflicts of interest, supervision of delegates, financial control, internal audit, complaints handling, recordkeeping and reporting. The AIFM has authority to act on behalf of the Fund within its function.

In order to cover its professional liability risk resulting from the activities it may carry out, the AIFM maintains professional indemnity insurance against liability arising from professional negligence that is appropriate to the risks covered.

The AIFM has a remuneration policy in place which seeks to ensure that the interests of the AIFM and the shareholders of the Fund are aligned. Such remuneration policy imposes remuneration rules on staff and senior management within the AIFM whose activities have an impact on the risk profile of the Fund. The AIFM shall seek to ensure that such remuneration policies and practices will be consistent with sound and effective risk management and with the AIFMD and ESMA's remuneration guidelines. The AIFM shall also seek to ensure that such remuneration policies and practices shall not encourage risk taking which is inconsistent with the risk profile and constitutional documents of the Fund.

The AIFM shall seek to ensure that the remuneration policy will, at all times, be consistent with the business strategy, objectives, values and interests of the Fund and the shareholders and

that the remuneration policy will include measures that seek to ensure that all relevant conflicts of interest can be managed appropriately at all times.

For the purpose of a more efficient conduct of its business, the AIFM may delegate to third parties the power to carry out some of its functions on its behalf, subject to limitations and requirements, including the existence of objective reasons, in accordance with applicable laws and regulations. The delegated functions shall remain under the supervision and responsibility of the AIFM and the delegation shall not prevent the AIFM from acting, or the Fund from being managed, in the best interests of the investors. The delegation to third parties is subject to the prior notification of the CSSF.

In conducting its activities, the AIFM shall act honestly and fairly, with due skill, care and diligence, in the best interests of the Fund, its investors, and the integrity of the market.

The Management Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days' prior written notice. The Management Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Management Agreement contains provisions exempting the AIFM from liability and indemnifying the AIFM in certain circumstances. However, the liability of the AIFM towards the Fund will not be affected by any delegation of functions by the AIFM.

#### **6.2.1 Risk management function**

The AIFM employs an appropriate risk management system consisting of mainly two elements: (i) an organisational element in which the permanent risk management function plays a central role, and (ii) a procedural element documented in the risk management policy, which sets out measures and procedures employed to measure and manage risks, the safeguards for independent performance of the risk management function, the techniques used to manage risks and the details of the allocation of responsibilities within the AIFM for risk management and operating procedures.

The central task of the risk management function of the AIFM is the implementation of effective risk management procedures in order to identify, measure, manage, and monitor on an ongoing basis all risks to which the or each Sub-Fund is or may be exposed.

In addition, the risk management function of the AIFM shall ensure that the risk profile of each Sub-Fund as disclosed in this Offering Document is consistent with the risk limits as defined by the AIFM in compliance with the risk profile as approved by the Board of Directors.

Furthermore, the risk management function shall update the Board of Directors of the AIFM on a regular basis about (i) the consistency between and compliance with the risk limits set and the risk profile of each Sub-Fund, and (ii) the adequacy and effectiveness of the risk management process, indicating in particular whether appropriate remedial measures have or will be taken in the event of actual or anticipated deficiencies. The risk management function is responsible for regularly outlining to senior management the current level of risk incurred by each Sub-Fund and any actual or foreseeable breaches of any risks limits set so as to ensure that prompt and appropriate action can be taken.

The risk management function conducts on a regular basis (i) stress tests and scenario analyses to address risks arising from potential changes in market conditions that might adversely impact the Sub-Funds and (ii) back-tests in order to review the validity of risk measurement arrangements.

The business unit of the AIFM responsible for the risk management function is functionally and hierarchically separated from the business units performing operating services, including the business unit responsible for the portfolio management.

### **6.2.2 Leverage monitoring**

Furthermore, the risk management function of the AIFM is responsible for regularly monitoring the leverage exposure for each Sub-Fund.

Under the AIFM Laws and Regulations, "leverage" is defined as being any method by which the AIFM increases the exposure of a Sub-Fund whether through borrowing of cash or securities, leverage embedded in derivative positions or by any other means. The leverage creates risks for the Sub-Fund. A leverage (as defined by the AIFMD) of 100% means a leverage-free portfolio.

The AIFM Laws and Regulations use two distinct definitions of leverage, both of which are calculated on a regular basis by the AIFM:

- a) Under the "gross method" (as defined by the AIFM Laws and Regulations), the leverage is calculated as the ratio between the Sub-Fund's investment exposure (calculated by adding the absolute values of all portfolio positions, including the sum of notionals of the derivative instruments used but excluding cash and cash equivalents) and the Net Asset Value; and
- b) Alternatively, the "commitment method" (as defined by the AIFM Laws and Regulations) takes into account netting and hedging arrangements and is defined as the ratio between the Sub-Fund's net investment exposure (not excluding cash and cash equivalents) and the Net Asset Value.

For a description of the leverage and the authorised maximum of leverage used in each Sub-Fund, please refer to the Supplement. The actual level of leverage used will be disclosed in the Annual Report.

### **6.2.3 Liquidity management**

The AIFM employs an appropriate liquidity management system and has adopted procedures which enable it to monitor the liquidity risk of the Fund and to ensure that the liquidity profile of the investments of the Fund complies with its underlying obligations and that the Fund will be in a position to satisfy redemption request of shareholders in accordance with the provisions of this Offering Document and the Articles of Association. The liquidity management system ensures that the Fund maintains a level of liquidity appropriate to its underlying obligations based on an assessment of the relative liquidity of the Fund's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated and their sensitivity to other market risks or factors.

The AIFM monitors the liquidity profile of the portfolio of assets having regard to the profile of the investor base of the Fund, the relative size of investments and the redemption terms to which these investments are subject and actual and potential redemption requests of shareholders both in normal and in exceptional circumstances. The AIFM implements and maintains appropriate liquidity measurement arrangements and procedures to assess the quantitative and qualitative risks of positions and intended investments which have or may have a material impact on the liquidity profile of the portfolio of the Fund's assets to enable their effects on the overall liquidity profile to be appropriately measured and considered. The AIFM also puts into effect the tools and arrangements necessary to manage the liquidity of the



Fund. The AIFM will ensure the coherence of the investment strategy, the liquidity profile and the redemption policy.

The AIFM proceeds, on a regular basis, with stress tests simulating normal and exceptional circumstances in order to evaluate and measure the liquidity risk of the Fund.

#### **6.2.4 Periodical information to investors regarding risk and liquidity management**

The AIFM will periodically (and on at least an annual basis) make available to investors the following information, which shall be available by contacting the AIFM at the registered office of the AIFM:

- a) the current risk profile of each Sub-Fund and the risk management systems employed by the AIFM to manage those risks, including (i) measures to assess the sensitivity of the Fund portfolio to the most relevant risks to which the Fund is or could be exposed; (ii) risk limits set by the AIFM that have been or are likely to be exceeded and where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken; (iii) any change to the risk management systems employed by the AIFM and the anticipated impact of the change on the Fund and the shareholders;
- b) information on any changes to the AIFM's liquidity management systems and procedures for the Fund; and
- c) the percentage of each Sub-Fund's assets which are subject to special arrangements arising from their illiquid nature.

### **6.3 The Depositary**

The Fund has appointed CACEIS Bank, Luxembourg Branch as its Depositary within the meaning of the 2016 Law and 2013 Law pursuant to the Depositary Agreement.

The relationship between the Fund, the AIFM and the Depositary is subject to the terms of the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is responsible for the safekeeping of all the assets of the Fund, which will be held either directly or through other financial institutions to which the Depositary has delegated in accordance with the 2013 Law all or part of its safe-keeping duties according to the Depositary Agreement. The Depositary shall assume its duties and responsibilities in accordance with the provisions of the 2016 Law and the 2013 Law. The Depositary must act honestly, fairly, professionally, independently and in the interest of the Fund and its shareholders.

In accordance with the Depositary Agreement and Luxembourg Law (including in particular the AIFM Laws and Regulations), the Depositary will carry out the following duties: cash monitoring, safe-keeping and oversight duties (meaning the oversight duties of the Depositary within the meaning of article 19 (9) of the 2013 Law and articles 87 and 93 to 97 of the AIFMD Level 2 Regulation) over the Fund's assets.

The Depositary Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than three (3) months prior written notice. The Depositary Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Depositary shall be liable to the Fund and the investors for the loss of a financial instrument held in custody by the Depositary or by a third party to whom the Depositary has delegated custody of such financial instrument. The Depositary's liability is governed by Luxembourg law. Save in the cases where

the 2013 Law specifies otherwise, the Depositary will only be held liable in the cases of gross negligence, serious misconduct or intent.

#### **6.4 The Administrator and Domiciliary Agent**

With the consent of the Fund, the AIFM has appointed CACEIS Bank, Luxembourg Branch as administrative, registrar and transfer agent and as domiciliary agent of the Fund (the "**Administrator**") pursuant to the Administration Agreement.

The relationship between the Fund, the AIFM and the Administrator is subject to the terms of the Administration Agreement. Under the terms of the Administration Agreement, the Administrator will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the Net Asset Value per Share, maintain the accounting records of the Fund, as well as process all subscriptions, redemptions, conversions, and transfers of Shares, and register these transactions in the register of shareholders. In addition, as registrar and transfer agent of the Fund, the Administrator is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations.

The Administrator has also been appointed as Paying Agent.

The Administrator is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund. For the avoidance of doubt, the Administrator has not been appointed by the AIFM as the "external valuer" (within the meaning of the AIFMD) for the assets of the Fund.

The Administration Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than six (6) months prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Administration Agreement may be terminated by the AIFM with immediate effect if this is deemed by the AIFM to be in the interest of the investors. The Administration Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the AIFM and the Fund will not be affected by any delegation of functions by the Administrator.

#### **6.5 The Auditor**

The Fund has appointed PricewaterhouseCoopers, société coopérative as its independent auditor (*réviseur d'entreprises agréé*) within the meaning of the 2016 Law. The Auditor is elected by the general meeting of shareholders. The Auditor will inspect the accounting information contained in the Annual Report and fulfil other duties prescribed by the 2016 Law.

#### **6.6 Conflicts of interest**

The Board of Directors, the AIFM, the Depositary, the Administrator and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

As further described in the Articles of Association, any director of the Fund who has, directly or indirectly, a financial interest conflicting with the interest of the Fund in connection with a transaction falling within the competence of the Board of Directors, must inform the Board of Directors. The relevant director may not take part in the discussions on and may not vote on

the transaction. Where, by reason of a conflicting interest, the number of directors required in order to validly deliberate is not met, the board of directors may submit the decision on this specific item to the general meeting of shareholders.

The AIFM has adopted and implemented a conflicts of interest policy and has made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund is treated fairly.

## **6.7 Execution of transactions**

The AIFM has adopted a "best execution" policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy may be obtained from the AIFM upon request.

## **7. SHARES**

### **7.1 Shares, Sub-Funds and Share Classes**

#### **7.1.1 Shares**

The share capital of the Fund is represented by fully paid up Shares of no par value. The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Sub-Funds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the 2016 Law, which is currently 1,250,000 EUR.

The Shares will be issued in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting shareholder. The registration of a shareholder in the register of shareholders of the Fund evidences the shareholder's ownership right towards the Fund.

Shares may also be eligible for clearing and settlement by Clearstream or Euroclear and/or other recognised securities clearing and settlement systems. In such case, Shares may be held and transferred through securities accounts maintained within such systems in accordance with applicable laws and regulations, and the operating rules of the systems.

The Fund will recognise only one single shareholder per Share. In case a Share is owned by several persons, they must appoint a single representative who will represent them towards the Fund. The Fund has the right to suspend the exercise of all rights attached to that Share until such representative has been appointed.

The Shares carry no preferential or pre-emptive rights: the Fund is authorised without limitation to issue an unlimited number of fully paid up Shares on any Valuation Day without reserving to existing investors a preferential or pre-emptive right to subscribe for the Shares to be issued.

Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund and at all meetings of the Sub-Fund or Share Class concerned.

Fractions of Shares will be expressed with four (4) decimal places. Such fractional Shares will be entitled to participate on a pro rata basis in the net assets attributable to the Sub-Fund or Share Class to which they belong in accordance with their terms, as set out in this Offering Document. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same shareholder in the same Share Class represents one or more entire Shares, such shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

Shares are each entitled to participate in the net assets allocated to the relevant Sub-Fund or Share Class in accordance with their terms, as set out in the Supplements. Shares will be issued on each Subscription Day immediately after the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class as of that point, as described in more detail in section 7.4 (Subscription for Shares) below. Shares will be redeemed on each Redemption Day at the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class until and including that point, as described in more detail in section 7.5 (Redemption of Shares) below.

Shares redeemed will generally be cancelled unless the Fund decides otherwise.

### **7.1.2 Sub-Funds**

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Each Share issued by the Fund is a share in a specific Sub-Fund. Each Sub-Fund has a specific investment objective and policy as further described in its Supplement. A separate portfolio of assets is maintained for each Sub-Fund and invested for its exclusive benefit in accordance with its investment objective and policy.

With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. As a consequence, the assets of each Sub-Fund may only be used to meet the debts, liabilities and obligations attributable to that Sub-Fund. In the event that, for any reason, the liabilities arising in respect of the creation, operation and liquidation of a Sub-Fund exceed the assets allocated to it, creditors will have no recourse against the assets of any other Sub-Fund to satisfy such deficit. Assets and liabilities are allocated to each Sub-Fund in accordance with the provisions of the Articles of Association, as set out in section 8 (Valuation and Net Asset Calculation) below.

Unless otherwise specified in the Supplements, the Sub-Funds are established for an unlimited duration. Should a Sub-Fund be established for a limited duration, upon expiry of the term, the Fund may extend the duration of the Sub-Fund once or several times. Investors will be notified at each extension. At the expiry of the duration of a Sub-Fund, the Fund will redeem all the Shares in that Sub-Fund. The Supplement will indicate the duration of each Sub-Fund and its extension, where applicable.

Additional Sub-Funds may be established by the Board of Directors from time to time without the consent of investors in other Sub-Funds. A new Supplement will be added to this Offering Document for each new Sub-Fund established.

### **7.1.3 Share Classes**

The Sub-Funds may offer several Share Classes, as set out in the Supplements. Each Share Class within a Sub-Fund may have different features such as the fee structure, minimum subscription or holding amounts, currency, different hedging techniques or distribution policy or other distinctive features, or be offered or reserved to different types of investors. Investors will be able to choose the Share Class with the features most suitable to their individual circumstances.

Each Share Class may be created for an unlimited or limited duration, as specified in the Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Share Class once or several times. Investors will be notified at each extension. At the expiry of the duration of a Share Class, the Fund will redeem all the Shares in that Share Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the Supplements.

### **7.1.4 Changes to Sub-Funds and Share Classes**

The rights and restrictions attached to Shares may be modified from time to time, subject to the provisions of the Articles of Association. Any changes to the Articles of Association will

require a resolution of the general meeting of shareholders, as further described in section 10.2 (Meetings of shareholders) below.

Subject to the above, the Board of Directors may change the characteristics of any existing Sub-Fund, including its objective and policy, or any existing Share Class, without the consent of investors. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. This Offering Document will be updated as appropriate.

## **7.2 Distribution policy**

In respect of each Class of Shares, the Board of Directors may decide to declare such distribution as further described in the relevant Supplement. Distributions shall be made either by means of annual dividends and interim dividends to the extent feasible and/or as by the redemption of Shares or the allocation of the Sub-Fund's liquidation proceeds, as the case may be. Distributions made to holders of Shares through payment of dividends will reduce the relevant Net Asset Value per Share by the amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Shares of the outstanding Shares will remain unaffected in case of distribution made via redemption of Shares.

Distributions may be payable from the investment income gains, unrealized and realized capital gains and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for distribution. In particular, the Sub-Fund may pay distributions from capital or may charge all or part of the Sub-Fund's fees and expenses to the capital attributable to that Sub-Fund and/or Share Class. Dividends paid out of capital amount to a redemption or withdrawal of Shares of a Shareholder's original investment or from any capital gains attributable to that original investment, if any. Such dividends may result in an immediate decrease of the Net Asset Value per Share. Capital may also suffer some erosion where part or all of the fees and expenses of a Share Class are charged to the capital attributable to that Share Class.

The Fund shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the Fund shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares. The dividend distribution policy may vary between Distribution Shares within the same or different Sub-Funds. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the Fund would fall below the minimum share capital required by the 2016 Law which is currently EUR 1,250,000.

Unless otherwise requested by an investor, dividends declared with respect to Distribution Shares will be reinvested in Shares of the same Share Class and investors will be advised of the details by a dividend statement.

No interest shall be paid on dividend distributions declared by the Fund which have not been claimed. Dividends not claimed within five years of their declaration date will lapse and revert to the relevant Share Class.

## **7.3 Eligible Investors**

Shares may only be acquired or held by investors who (i) are Well-Informed Investors, as further described below, and (ii) satisfy all additional eligibility requirements for a specific Sub-

Fund or Share Class, if any, as specified for the Sub-Fund or Share Class in the Supplement (an Eligible Investor).

The Board of Directors has decided that any investor not qualifying as an Eligible Investor will be considered as a Prohibited Person, in addition to those persons described in section 7.10 (Prohibited Persons) below. The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Offering Document (see section 7.10 (Prohibited Persons) below).

### **7.3.1 Well-Informed Investors**

Only Well-Informed Investors (as defined by article 2(1) of the 2016 Law) can be Eligible Investors. According to article 2(1) of the 2016 Law, Well-Informed Investors are:

- 1) Institutional Investors;
- 2) Professional Investors; or
- 3) any other investors having confirmed in writing that they are a well-informed investor and either:
  - having a minimum investment in the Fund of at least an amount to be equivalent to one hundred thousand Euro (EUR 100,000), or
  - having been the subject of an assessment made by a credit institution within the meaning of Regulation (EU) 575/2013, by an investment firm within the meaning of MiFID or by a management company within the meaning of the UCITS Directive or by an authorised alternative investment fund manager within the meaning of AIFMD certifying his expertise, his experience and his knowledge in adequately appraising an investment in the reserved alternative investment fund.

According to the 2016 Law, the conditions set forth in such article are not applicable to the members of the Board of Directors and other persons who intervene in the management of the Fund.

### **7.3.2 Other investor eligibility requirements**

Each Sub-Fund and/or each Share Class may have different or additional requirements as to the eligibility of its investors. Certain Sub-Funds or Share Classes may be reserved to specified categories of investors such as Institutional Investors or investors who are residents of or domiciled in specific jurisdictions. Eligibility requirements for each Sub-Fund or Share Class are set out in the Supplements.

## **7.4 Subscription for Shares**

Applications for subscriptions can be submitted for each Subscription Day provided that a complete application is submitted by the Cut-Off Time for that Subscription Day. Applications for subscription must indicate the name of each relevant Sub-Fund and Share Classes and the number of Shares applied for or the monetary amount to be subscribed. Applications will be processed, if accepted, at the Subscription Price applicable to that Subscription Day. The Subscription Price (plus any Subscription Fee) must be settled by the end of the Subscription Settlement Period. The subscription procedure is further described below. Shares will be issued on the Subscription Day and entitled to participate in the Net Asset Value of the Share

Class from their issue. The Subscription Day, Cut-Off Time, and Subscription Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

In accordance with the 2016 Law, the issue of Shares shall be prohibited:

- during the period where the Fund has no Depositary;
- where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

#### **7.4.1 Subscription application**

Shares in any new Sub-Fund or Share Class may be available for subscription during an Initial Offer and will be issued on the first Subscription Day following the Initial Offer at the Initial Offer Price. Information on the Initial Offer and the Initial Offer Price of any new Sub-Fund or Share Class will be set out in the Supplement and available from the Administrator upon request. The Fund may reschedule the Initial Offer and/or amend the Initial Offer Price.

Shares will be available for subscription on each Subscription Day at a Subscription Price equal to the Net Asset Value per Share for that Subscription Day. The Net Asset Value per Share for the Subscription Day at which an application will be processed is unknown to the investors when they place their subscription applications.

The Fund may charge a Subscription Fee on subscriptions for Shares, as set out in section 9.1 (Subscription Fee, Redemption Fee and Conversion Fee) below, which will be added to the Subscription Price. The Subscription Fee is equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Investors wishing to subscribe for Shares of a Sub-Fund or Share Class will be requested to complete a Subscription Form in which they commit to subscribe and pay for the Shares. The liability of each investor in respect of the Shares subscribed will be limited to the Subscription Price (plus any Subscription Fee). The Subscription Form must be submitted to the Administrator following the instructions on such form. The Subscription Form is available from the Administrator on request.

The Fund will only process subscription applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to investors on subscription proceeds received by the Fund prior to receiving clear and complete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Investors should refer to the local sales documents for their jurisdiction to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the Fund may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.



The Fund reserves the right to accept or refuse any application in whole or in part at its discretion. Without limitation, the Fund may refuse an application for subscription where the Fund determines that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the Fund will

be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 8.4 (Publication of the Net Asset Value) below. The issue of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the Fund, notably under other exceptional circumstances.

#### **7.4.2 Settlement of subscription**

The Subscription Price (plus any Subscription Fee) must be paid in the Reference Currency of the Share Class.

Cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) must be received by the Fund by the end of the Subscription Settlement Period specified in the Supplement. Settlement details are available in the Subscription Form.

If the payment of the Subscription Price (plus any Subscription Fee) has not been received by the end of the Subscription Settlement Period, any pending application for Shares may be rejected or, if the application had previously been accepted by the Fund, any allocation of Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable Redemption Price (less any Redemption Fee). The Administrator will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the Subscription Settlement Period, if any, will be returned to the applicant at its risks and costs, without interest.

The Fund reserves the right to require indemnification from the applicant against any losses, costs or expenses arising as a result of any failure to settle the Subscription Price (plus any Subscription Fee) by the end of the Subscription Settlement Period. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

#### **7.4.3 Subscription in kind**

The Fund may agree to issue Shares as consideration for a "contribution in kind" of assets with an aggregate value equal to the Subscription Price (plus any Subscription Fee), provided that such assets comply with the investment objective and policy of the Sub-Fund and any restrictions and conditions imposed by applicable laws and regulations. In accepting or rejecting such a contribution at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Any contribution in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the contributing investor will agree on specific settlement procedures. Any costs incurred in connection with a contribution in kind, including the costs of issuing a valuation report, shall be borne by the contributing investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-Fund.

#### **7.4.4 Luxembourg Register of Beneficial Owners**

The Luxembourg Law of 13 January 2019 creating a Register of Beneficial Owners (the "RBO Law") requires all companies registered on the *Registre de Commerce et des Sociétés* of Luxembourg, including the Fund, to obtain and hold information on their beneficial owners

("Beneficial Owners") at their registered office. The Fund must register Beneficial Owner-related information with the Luxembourg Register of Beneficial Owners, which is established under the authority of the Luxembourg Ministry of Justice.

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

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

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

## **7.5 Redemption of Shares**

Unless otherwise provided for in the relevant Supplement, applications for redemptions can be submitted by investors for each Redemption Day provided that a complete application is submitted by the Cut-Off Time for that Redemption Day. Applications must detail the number of Shares or the monetary amount to be redeemed. Applications will be processed, if accepted, at the Redemption Price applicable to that Redemption Day. The Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period. The redemption procedure is further described below. Shares will be redeemed on the Redemption Day and entitled to participate in the net assets of the Sub-Fund or Share Class until their redemption. The Redemption Day, Cut-Off Time, and Redemption Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

In accordance with the 2016 Law, the redemption of Shares shall be prohibited:

- during the period where the Fund has no Depositary;
- where the Depositary is put into liquidation or declared bankrupt or seeks an arrangement with creditors, a suspension of payment or a controlled management or is the subject of similar proceedings.

### **7.5.1 Redemption application**

Investors may apply for redemption of all or any of their Shares on each Redemption Day at a Redemption Price equal to the Net Asset Value per Share for that Redemption Day. The Net Asset Value per Share for the Redemption Day at which an application will be processed is unknown to the investors when they place their redemption applications.

The Fund may charge a Redemption Fee on redemptions of Shares, as set out in section 9.1 (Subscription Fee, Redemption Fee and Conversion Fee) below, which will be deducted from the payment of the Redemption Price. The Redemption Fee is equal to a maximum percentage of the Redemption Price or such other amount as specified for each Sub-Fund or Share Class

in the Supplement, where applicable.

Investors wishing to redeem their Shares in part or in whole must submit a Redemption Form. The Redemption Form must be submitted to the Administrator following the instructions on such form. The Redemption Form is available from the Administrator on request.

The Fund will only process redemption applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Redemption Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day. Investors should refer to the local sales documents for their jurisdiction to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the Fund may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The redemption of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 8.4 (Publication of the Net Asset Value) below. The redemption of Shares of a Sub-Fund or Share Class may also be suspended in other exceptional cases where the circumstances and the best interest of the investors so require.

#### **7.5.2 Settlement of redemption**

Redemption proceeds equal to the full amount of the Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period specified in the Supplement. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Investors should refer to the local sales documents for their jurisdiction or contact their local paying agent for further information. The Fund will not accept responsibility for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming investor and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Sub-Fund or the Share Class.

The Fund reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other exceptional circumstances. If redemption proceeds cannot be paid by the end of the Redemption Settlement Period, the payment will be made as soon as reasonably practicable thereafter. The Fund may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) due but not yet paid for the Shares to be redeemed has been received by the Fund. No interest will be paid to investors on redemption proceeds paid after the end of the Redemption Settlement Period.

### **7.5.3 Redemption in kind**

The Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to an investor a "redemption in kind" whereby the investor receives a portfolio of assets of the Sub-Fund of equivalent value to the Redemption Price (less any Redemption Fee). In such circumstances the investor must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In proposing or accepting a request for redemption in kind at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Where the investor accepts a redemption in kind, he will receive a selection of assets of the Sub-Fund. Any redemption in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the redeeming investor will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming investor or by such other third party as agreed by the Fund or in any other way which the Board of Directors considers fair to all investors of the Sub-Fund.

### **7.6 Conversion of Shares**

Unless otherwise provided for in the relevant Supplement, applications for conversions of Shares of any Share Class (called the Original Shares) into Shares of another Share Class of the same or another Sub-Fund (called the New Shares) can be submitted for each Conversion Day provided that a complete application is submitted by the Cut-Off Time for that Conversion Day. The number of New Shares issued upon a conversion will be based on the respective Net Asset Values per Share of the Original Shares and the New Shares for the Conversion Day (which, for the avoidance of doubt, may be a different day for the Original Shares and the New Shares). The Original Shares will be redeemed and the New Shares will be issued on the Conversion Day. The conversion procedure is further described below.

#### **7.6.1 Conversion application**

Unless set out otherwise in the Supplement, investors may apply for conversion of Original Shares into New Shares on each Conversion Day. However, the right to convert the Original Shares is subject to compliance with any investor eligibility requirements applicable to the New Shares. In addition, conversion applications are subject to the provisions on the minimum initial or additional subscription amounts applicable to the New Shares and the minimum holding amount applicable to the Original Shares.

The number of New Shares issued upon a conversion will be based upon the respective Net Asset Values of the Original Shares and the New Shares for the Conversion Day. These Net Asset Values are unknown to the investors when they place their conversion application.

The Fund may charge a Conversion Fee on conversions of Shares, as set out in section 9.1 (Subscription Fee, Redemption Fee and Conversion Fee) below and specified in the Supplement. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Investors wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the Administrator following the instructions on such form. The Conversion Form is available from the Administrator on request.

The Fund will only process conversion applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and

supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator by the Cut-Off Time for the Conversion Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at a conversion rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction to find out which Cut-Off Time is applicable to them. Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the Fund may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 7.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to reject any application for conversion of Shares into New Shares, in whole or in part, including, without limitation, where the Fund decides to close the Sub-Fund or Share Class to new subscriptions or new investors. In any event, no conversion application will be processed unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) for the Original Shares has been received by the Fund.

The conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Original Shares or the New Shares is suspended by the Fund in accordance with section 8.4 (Publication of the Net Asset Value) below, or when the redemption of Original Shares or the subscription for New Shares is suspended in accordance with the Articles of Association and this Offering Document.

### **7.6.2 Conversion rate**

The rate at which the Original Shares are converted into New Shares is determined on the basis of the following formula:

$$A = (B \times C \times D) / E$$

where:

- A is the number of New Shares to be allocated;
- B is the number of Original Shares to be converted into New Shares;
- C is the Net Asset Value per Share of the Original Shares for the Conversion Day;
- D is the exchange rate, as determined by the Fund, between the Reference Currency of the Original Shares and that of the New Shares. Where the Reference Currencies are the same, D equals one (1); and
- E is the Net Asset Value per Share of the New Shares for the Conversion Day.

A Conversion Fee may be applied, if and to the extent set out in the Supplement. The Conversion Fee is equal to the positive difference, if any, between the Subscription Fee

applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.

## **7.7 Transfer of Shares**

### **7.7.1 Conditions and limitations on transfer of Shares**

The Fund reserves the right to refuse any application for transfer at its discretion. In particular, the Fund may deny giving effect to any transfer of Shares if it determines that such transfer would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons.

Subject to the above, the transfer of Shares will normally be given effect by the Fund by way of declaration of transfer recorded in the register of shareholders of the Fund following the delivery to the Administrator of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the Fund.

The Fund will only give effect to Share transfers that it considers clear and complete. The Administrator may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Investors are advised to contact the Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The Fund may delay the acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete transfer orders may lead to delays in their execution. The Fund will not accept liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

Shares which are eligible for clearing and settlement by Clearstream, Euroclear and/or other recognised securities clearing and settlement systems may also be transferred through securities accounts maintained within such systems in accordance with applicable laws and regulations, and the operating rules of the systems.

### **7.7.2 Trading of Shares on a stock exchange**

Shares of certain Share Classes may be listed and admitted to trading on the regulated market of the Luxembourg Stock Exchange or other market segments or stock exchanges as the Fund may determine from time to time. Although the Shares must be freely negotiable and transferable upon their listing and admission to trading on such stock exchanges (and trades carried out on such stock exchanges cannot be cancelled by the Fund) the restrictions of ownership and conditions on holding Shares (as set out in this Offering Document and the Articles of Association) will nevertheless apply to any person to which Shares are transferred on such stock exchanges. The holding at any time of any Shares by, on behalf of or for the account or benefit of, a Prohibited Person may result in the compulsory redemption of such Shares in accordance with the provisions of this Offering Document and the Articles of Association.

Listed Shares will be eligible for clearing and settlement by Clearstream and/or Euroclear.

The Fund does not expect that an active secondary market will develop in the listed Shares on the Luxembourg Stock Exchange. The listing and admission to trading on such stock exchanges does not constitute a warranty or representation by the stock exchange as to the competence of the service providers to or any other party connected with the Fund or the suitability of the Fund for investment or for any other purpose.



## **7.8 Special considerations**

### **7.8.1 Minimum subscription and holding amounts**

The subscription for Shares may be subject to a minimum initial subscription amount and/or additional subscription amount, as specified for each Share Class in the Supplement. The Fund may reject any application for subscription for or conversion into Shares of a Share Class which does not meet the applicable minimum initial subscription amount or additional subscription amount for that Share Class, if any.

In addition, the holding of Shares may be subject to a minimum holding amount, as specified for each Share Class in the Supplement. The Fund may treat any application for redemption or conversion of part of a holding of Shares in a Share Class as a deemed application for redemption or conversion of the entire holding of the redeeming investor in that Share Class if, as a result of such application, the Net Asset Value of the Shares retained by the investor in that Share Class would fall below the applicable minimum holding amount. Alternatively, the Fund may grant a grace period to the investor so as to allow him to increase his holding to at least the minimum holding amount.

The Fund may further deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor in a Share Class would fall below the minimum holding amount for that Share Class, or if the Net Asset Value of the Shares acquired by the transferee in a Share Class would be less than the minimum initial or additional subscription amounts, as applicable. In such cases, the Fund will notify the transferor that it will not give effect to the transfer of the Shares.

Alternatively, the Fund has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that investors are treated fairly. In particular, the Fund may waive all or part of such requirements for investments made by certain nominees and other professional intermediaries.

### **7.8.2 Minimum or maximum level of assets under management**

The Fund may decide to cancel the launch of a Sub-Fund or Share Class before the end of the Initial Offer Period where that Sub-Fund or Share Class has not reached the minimum or expected level of assets under management for such Sub-Fund or Share Class to be operated in an economically efficient manner. In such event, applications for subscription will be refused and subscription proceeds previously received by the Fund will be returned to the applicant.

Where applications for redemptions or conversions out of a Sub-Fund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in that Sub-Fund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Share Class to be operated in an efficient manner, the Fund may decide to terminate and liquidate the Sub-Fund or Share Class in accordance with the procedure set out in section 10.9 (Liquidation) below. In such a case, all remaining Shares of the Sub-Fund or Share Class will be redeemed.

The Fund may also decide to close a Sub-Fund or Share Class to new subscriptions and/or new investors where that Sub-Fund or Share Class has reached or is about to reach a maximum or expected level of assets under management, where accepting new subscriptions or investors would be detrimental to the performance of the Sub-Fund or Share Class, or in other circumstances determined by the Board of Directors. In such events, applications for

subscription will be refused, in whole or in part, and subscription proceeds previously received by the Fund will be returned to the applicant.

### **7.8.3 Suspension of issue, redemption or conversion of Shares**

The issue, redemption or conversion of Shares in a Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Share Class is suspended by the Fund in accordance with section 8.4 (Publication of the Net Asset Value) below and in other circumstances specified in the Articles of Association and this Offering Document.

Suspended subscriptions, redemptions and conversions will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Fund before the end of the suspension period.

### **7.8.4 Deferral of redemption or conversion of Shares**

If on any given Redemption Day or Conversion Day, applications for redemption or conversion of Shares out of a Sub-Fund or Share Class represent in aggregate more than ten percent (10%) of the Net Asset Value of the Sub-Fund or Share Class, the Fund may decide, in the best interests of the remaining shareholders, that part (on a *pro rata* basis) or all of such requests for redemption or conversion will be deferred to the next and, if necessary, subsequent Redemption Days or Conversion Days until the application is processed in full (with a maximum of seven (7) Redemption Days or Conversion Days). On a next or subsequent Redemption Day or Conversion Day, deferred redemption or conversion requests will be met in priority to requests submitted in respect of such Redemption Day or Conversion Day.

The Fund also reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period in accordance with the provisions set out in section 7.5 (Redemption of Shares) above.

As an alternative to deferring applications for redemptions, the Fund may propose to an investor, who accepts, to settle a redemption application, in whole or in part, by a distribution in kind of certain assets of the Sub-Fund or Share Class in lieu of cash, subject to the conditions set out in section 7.5 (Redemption of Shares) above.

### **7.9 Late trading, market timing and other prohibited practices**

The Fund does not permit late trading practices as such practices may adversely affect the interests of investors. In general, late trading is to be understood as the acceptance of a subscription, redemption or conversion order for Shares after the Cut-Off Time for a Subscription Day, Redemption Day or Conversion Day and the execution of such order at a price based on the Net Asset Value applicable to such same day. However, as mentioned above, the Fund may accept subscription, conversion or redemption applications received after the Cut-Off Time, in circumstances where the subscription, redemption or conversion applications are dealt with on an unknown Net Asset Value basis, provided that it is in the interest of the Sub-Fund and that investors are fairly treated. In particular, the Fund may waive the Cut-Off Time where an intermediary submits the application to the Administrator after the Cut-Off Time provided that such application has been received by the intermediary from the investor in advance of the Cut-Off Time.

Subscriptions and conversions of Shares should be made for investment purposes only. The Fund does not permit market timing or other excessive trading practices. Market timing is to

be understood as an arbitrage method by which an investor systematically subscribes and redeems or converts Shares of the same Sub-Fund or Share Class within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value. Excessive, short-term (market timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Fund and other investors, the Fund has the right to reject any subscription or conversion order, or levy in addition to any Subscription Fee, Redemption Fee or Conversion Fee which may be charged according to the Supplement, a fee of up to two percent (2%) of the value of the order for the benefit of the Sub-Fund or Share Class, from any investor who is engaging or is suspected of engaging in excessive trading, or has a history of excessive trading, or if an investor's trading, in the opinion of the Board of Directors, has been or may be disruptive to the Fund. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control.

The Fund also has the power to compulsorily redeem all Shares held by, on behalf or for the account or benefit of, an investor who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, in accordance with the procedure set out in this Offering Document. The Board of Directors considers such persons as Prohibited Persons.

The Fund will not be held liable for any loss resulting from rejected orders or compulsory redemptions.

#### **7.10 Prohibited Persons**

The Articles of Association give powers to the Board of Directors to restrict or prevent the legal or beneficial ownership of Shares or prohibit certain practices such as late trading and market timing by any person (individual, corporation, partnership or other entity), if in the opinion of the Board of Directors such ownership or practices may (i) result in a breach of any provisions of the Articles of Association, the Offering Document or the laws or regulations of any jurisdiction, or (ii) require the Fund or the AIFM to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or in any other jurisdiction, or (iii) may cause the Fund, the AIFM or the investors any legal, regulatory, taxation, administrative or financial disadvantages which they would not have otherwise incurred (a Prohibited Person).

The Board of Directors has decided that US Persons will be considered as Prohibited Persons. By signing a Subscription Form, an applicant will certify, represent, warrant and agree that he is not a US Person or that the Shares applied for are not being acquired directly or indirectly by, on behalf or for the account or benefit of, a US Person. An applicant will further certify, represent, warrant and agree that the applicant will notify the Fund in the event that either the applicant becomes a US Person or holds the Shares on behalf of, or for the account or benefit of, a US Person. If an applicant's status changes and it becomes a US Person, it must notify the relevant party as mentioned above within thirty (30) days.

The Board of Directors has also decided that any person not qualifying as an Eligible Investor (including, for the avoidance of doubt, any person not qualifying as a Well-Informed Investor) will be considered as a Prohibited Person.

Furthermore, the Board of Directors has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 7.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may require at any time any investor or prospective investor to provide the Fund with any representations, warranties, or information, together with supporting documentation, which the Fund may consider necessary for the purpose of determining whether the issue or transfer would result in Shares being held by, on behalf or for the account or benefit of, a Prohibited Person.

The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. In such cases, the Fund will notify the investor of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 7.5 (Redemption of Shares) above.

The Fund may also grant a grace period to the investor for remedying the situation causing the compulsory redemption, for instance by transferring the Shares to one or more investors who are not Prohibited Persons and do not act on behalf or for the account or benefit of, Prohibited Persons, and/or propose to convert the Shares held by any investor who fails to satisfy the investor eligibility requirements for a Share Class into Shares of another Share Class available for such investor.

The Fund reserves the right to require the investor to indemnify the Fund against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

### **7.11 Prevention of money laundering**

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, implementing CSSF regulations and circulars, 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.

Measures aimed towards the prevention of money laundering as provided by Luxembourg law are the responsibility of the Administrator (acting in capacity as registrar and transfer agent).

These measures may require the Administrator to request verification of the identity of any prospective investor. By way of example, an individual may be required to produce a copy of his passport or identification card duly certified by a competent authority (e.g. embassy, consulate, notary, police officer, solicitor, financial institution domiciled in a country imposing equivalent identification requirements or any other competent authority). In the case of corporate applicants, this may require, amongst others, production of a certified copy of the certificate of incorporation (and any change of name) and investor's memorandum and articles of association (or equivalent), a recent list of its shareholders showing a recent stake in its capital, printed on the letterhead of the investor duly dated and signed, an authorised signature list and an excerpt of the trade register. It should be noted that the above list is not exhaustive and that the investors may be required to provide further information to the Administrator in order to ensure the identification of the final beneficial owner of the Shares.

Until satisfactory proof of identity is provided by potential investors or transferees as determined by the Administrator, it reserves the right to withhold issue or approval of registration of transfers of Shares. Similarly, redemption proceeds will not be paid unless compliance with these requirements has been made in full. In any such event, the Administrator will not be liable for any interest, costs or compensation.

In case of a delay or failure to provide satisfactory proof of identity, the Administrator may take such action as it thinks fit.

Depending on the circumstances of each application for subscription or registration of a transfer of Shares, a detailed verification of the applicant's identity might not be required where the application is made through a financial institution or intermediary located in a country that is considered by the Administrator as imposing identification requirements equivalent to those in place in Luxembourg.

## **8. VALUATION AND NET ASSET CALCULATION**

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the Fund and the calculation and publication of the Net Asset Value can be performed.

The Net Asset Value of each Sub-Fund and Share Class is determined by performing a valuation of the assets and liabilities of the Fund and allocating them to the Sub-Funds and Share Classes, in order to calculate the Net Asset Value per Share of each Share Class of each Sub-Fund. The method for the valuation of the assets and liabilities, the allocation to the Sub-Funds and Share Classes, and the calculation of the Net Asset Value is set out in the AIFM's valuation policy, the Articles of Association, and is also described in this section of the Offering Document.

### **8.1 Calculation of the Net Asset Value**

The Net Asset Value per Share shall be determined by the Administrator as of each Valuation Day, as specified for each Sub-Fund in the relevant Supplement, under the responsibility of the AIFM. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to four (4) decimal places.

The Net Asset Value of a Share Class is equal to the value of the assets allocated to such Share Class within a Sub-Fund less the value of the liabilities allocated to such Share Class, both being calculated as of each Valuation Day according to the valuation procedure described below.

The Net Asset Value of a Sub-Fund is equal to the value of the assets allocated to such Sub-Fund less the value of the liabilities allocated to such Sub-Fund, both calculated as of each Valuation Day in the Reference Currency of the Sub-Fund according to the valuation procedure described below.

The Net Asset Value of the Fund will at all times be equal to the sum of the Net Asset Values of all Sub-Funds expressed in the Reference Currency of the Fund. The Net Asset Value of the Fund must at all times be at least equal to the minimum share capital required by the 2016 Law which is currently 1,250,000 EUR, except during the twenty-four (24) months following the constitution of the Fund.

### **8.2 Valuation procedure**

#### **8.2.1 General**

The assets and liabilities of the Fund will be valued in accordance with the AIFM's valuation policy and the provisions outlined below.

The AIFM may apply, in good faith and in accordance with generally accepted valuation principles and procedures, other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realisation value of any asset if applying the rules described below appears inappropriate or impracticable.

The AIFM may adjust the value of any asset if the AIFM determines that such adjustment is required to reflect its fair value taking into account its denomination, maturity, liquidity, applicable or anticipated interest rates or dividend distributions or any other relevant considerations.

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Day, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Sub-Fund are quoted, listed or traded, the AIFM may cancel the first valuation and carry out a second valuation in order to safeguard the interest of investors. In such a case, the Net Asset Value used for processing subscription, redemption and conversion applications for that Valuation Day will be based on the second calculation.

For the purpose of calculating the Net Asset Value in accordance with the valuation principles set out below, the AIFM has authorised the Administrator to rely in whole or in part upon valuations provided by available pricing sources for the relevant asset, including data vendors and pricing agencies (such as Bloomberg or Reuters), fund administrators, brokers, dealers and valuation specialists, provided that such pricing sources are considered reliable and appropriate and provided that there is no manifest error or negligence in such valuations.

Where the AIFM considers it necessary, it may seek the assistance of a valuation committee whose task will be the prudent estimation of certain assets' values in good faith.

In the absence of fraud, bad faith, gross negligence or manifest error, any decision taken in accordance with the Articles of Association and the Offering Document by the AIFM, the Board of Directors or any agent appointed by them in connection with the valuation of the Fund's assets and the calculation of the Net Asset Value of the Fund, a Sub-Fund or a Share Class, the Net Asset Value per Share will be final and binding on the Fund and on all investors, and neither the Board of Directors, nor the AIFM, nor any agent appointed by them shall accept any individual liability or responsibility for any determination made or other action taken or omitted by them in this connection.

The AIFM will be liable to the Fund for any losses suffered as a result of the AIFM's negligence or intentional failure to perform its valuation obligations.

### **8.2.2 Assets of the Fund**

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the assets of the Fund shall include the following:

- 1) all cash on hand or on deposit, including any outstanding accrued interest;
- 2) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;
- 3) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;
- 4) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);
- 5) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;
- 6) the formation expenses of the Fund or a Sub-Fund, to the extent that such expenses have not already been written off; and

- 7) all other assets of any kind and nature including expenses paid in advance.

### **8.2.3 Liabilities of the Fund**

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the liabilities of the Fund shall include the following:

- 1) all loans, bills or accounts payable, accrued interest on loans (including accrued fees for commitment for such loans);
- 2) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund but not yet paid;
- 3) a provision for any tax accrued to the Valuation Day and any other provisions authorised or approved by the Fund; and
- 4) all other liabilities of the Fund of any kind recorded in accordance with applicable accounting rules, except liabilities represented by Shares. In determining the amount of such liabilities, the Fund will take into account all expenses, fees, costs and charges payable by the Fund as set out in section 9 (Fees and Expenses) below.

Adequate provisions shall be made for unpaid administrative and other expenses of a regular or recurring nature based on an estimated amount accrued for the applicable period. Any off-balance sheet liabilities shall duly be taken into account in accordance with fair and prudent criteria.

The fees and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five (5) years. The formation expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised costs of establishment of the Fund.

### **8.2.4 Valuation principles**

In accordance with the Articles of Association and the AIFM's valuation policy, the valuation of the assets of the Fund will be conducted as follows:

- 1) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends, and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof.
- 2) Transferable securities and money market instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs 3) and 6) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the AIFM will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable



securities and money market instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.

- 3) Notwithstanding paragraph 2) above, where permitted under applicable laws and regulations, money market instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.
- 4) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the AIFM will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.
- 5) Financial derivative instruments which are traded "over-the-counter" (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the AIFM which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.
- 6) Notwithstanding paragraph 2) above, shares or units in target investment funds will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the AIFM is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph 2) above.
- 7) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.

### **8.2.5 Allocation of assets and liabilities to Sub-Funds and Share Classes**

Assets and liabilities of the Fund will be allocated to each Sub-Fund and Share Class in accordance with the provisions of the Articles of Association, as set out below, and the Supplement of the Sub-Fund.

- 1) The proceeds from the issue of Shares of a Sub-Fund or Share Class, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. The assets allocated to each Share Class of the same Sub-Fund will be invested together in accordance with the investment objective, policy, and strategy of that Sub-Fund, subject to the specific features and terms of issue of each Share Class of that Sub-Fund, as specified in its Supplement (see section 7.1 (Shares, Sub-Funds and Share Classes) above).
- 2) All liabilities of the Fund attributable to the assets allocated to a Sub-Fund or Share Class or incurred in connection with the creation, operation or liquidation of a Sub-Fund or Share Class will be charged to that Sub-Fund or Share Class and, together with any increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Share Class specific feature will be allocated solely to the Share Class to which the specific feature relates.
- 3) Any assets or liabilities not attributable to a particular Sub-Fund or Share Class may be allocated by the Board of Directors in good faith and in a manner which is fair to investors generally and will normally be allocated to all Sub-Funds or Share Classes *pro rata* to their Net Asset Value.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Sub-Fund or Share Class.

### **8.2.6 Additional rules for assets and liabilities of the Fund**

In calculating the Net Asset Value of each Sub-Fund or Share Class the following principles will apply.

- 1) Each Share agreed to be issued by the Fund on each Subscription Day will be deemed to be in issue and existing immediately after the time of valuation on the Subscription Day. From such time and until the Subscription Price is received by the Fund, the assets of the Sub-Fund or Share Class concerned will be deemed to include a claim of that Sub-Fund or Share Class for the amount of any cash or other property to be received in respect of the issue of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be increased by such amount immediately after the time of valuation on the Subscription Day.
- 2) Each Share agreed to be redeemed by the Fund on each Redemption Day will be deemed to be in issue and existing until and including the time of valuation on the Redemption Day. Immediately after the time of valuation and until the Redemption Price is paid by the Fund, the liabilities of the Sub-Fund or Share Class concerned will be deemed to include a debt of that Sub-Fund or Share Class for the amount of any cash or other property to be paid in respect of the redemption of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount immediately after the time of valuation on the Redemption Day.

- 3) Following a declaration of dividends for Distribution Shares on a Valuation Day determined by the Fund to be the distribution accounting date, the Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount as of the time of valuation on that Valuation Day.
- 4) Where assets have been agreed to be purchased or sold but such purchase or sale has not been completed at the time of valuation on a given Valuation Day, such assets will be included in or excluded from the assets of the Fund, and the gross purchase price payable or net sale price receivable will be excluded from or included in the assets of the Fund, as if such purchase or sale had been duly completed at the time of valuation on that Valuation Day, unless the Fund has reason to believe that such purchase or sale will not be completed in accordance with its terms. If the exact value or nature of such assets or price is not known at the time of valuation on the Valuation Day, its value will be estimated by the AIFM in accordance with the valuation principles described above.
- 5) The value of any asset or liability denominated or expressed in a currency other than the Reference Currency of the Fund, Sub-Fund or Share Class will be converted, as applicable, into the Reference Currency of the Fund, Sub-Fund or Share Class at the prevailing foreign exchange rate at the time of valuation on the Valuation Day concerned which the AIFM considers appropriate.

### **8.3 Temporary Suspension of Calculation of Net Asset Value and of Issues, Redemptions and Conversions**

The Board of Directors, upon consultation with the AIFM, may temporarily suspend the calculation and publication of the Net Asset Value per Share of any Share Class in any Sub-Fund and/or where applicable, the issue, redemption and conversion of Shares of any Share Class in any Sub-Fund in the following cases:

- 1) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, otherwise than on ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- 2) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;
- 3) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;
- 4) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;
- 5) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;
- 6) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage the assets of a Sub-Fund

in a normal manner and/or prevent the determination of their value in a reasonable manner;

- 7) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;
- 8) following the suspension of the net asset value calculation and/or the issue, redemption and conversion at the level of a master fund in which a Sub-Fund invests as a feeder fund;
- 9) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of investors;
- 10) in the event of a notice to shareholders of the Fund convening an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Fund or informing them about the termination and liquidation of a Sub-Fund or Share Class, and more generally, during the process of liquidation of the Fund, a Sub-Fund or Share Class;
- 11) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- 12) during any period when the dealing of the Shares of a Sub-Fund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
- 13) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Fund, a Sub-Fund or Share Class, in compliance with the principle of fair treatment of investors in their best interests.

In the event of exceptional circumstances which could adversely affect the interest of investors or where significant requests for subscription, redemption or conversion of Shares are received for a Sub-Fund or Share Class, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Sub-Fund or Share Class only after the Fund has completed the necessary investments or divestments in securities or other assets for the Sub-Fund or Share Class concerned.

The issue, redemption and conversion of Shares in the any Share Class will also be suspended during any such period when the Net Asset Value of such Share Class is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class, will be published and/or communicated to investors as required by applicable laws and regulations.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any Sub-Fund or Share Class will have no effect on the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any other Sub-Fund or Share Class.

Suspended subscription, redemption, and conversion applications will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Administrator before the end of the suspension period.

#### **8.4 Publication of the Net Asset Value**

The publication of the Net Asset Values will take place on the next Business Days after a Valuation Day unless otherwise provided for in the Supplement. The Net Asset Value per Share of each Share Class within each Sub-Fund will be available from the AIFM and the Administrator during normal business hours and is published on [www.axiom-ai.com](http://www.axiom-ai.com).

The Net Asset Value per Share of any Share Class or Sub-Fund which is listed on the Paris or London or Luxembourg Stock Exchange or any other exchange will be notified to such exchange upon calculation.

## **9. FEES AND EXPENSES**

### **9.1 Subscription Fee, Redemption Fee and Conversion Fee**

Subscriptions for Shares may be subject to a Subscription Fee and redemptions of Shares may be subject to a Redemption Fee both calculated as specified in the Supplement, where applicable. Conversions of Shares may be subject to a Conversion Fee calculated as specified in the Supplement, where applicable. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Where applicable, an identical Subscription Fee, Redemption Fee, or Conversion Fee will apply, respectively, to all subscriptions, redemptions and conversions of Shares in each Share Class processed on the same Subscription Day, Redemption Day or Conversion Day.

The Subscription Fee, Redemption Fee and Conversion Fee will be paid to the AIFM. The AIFM may in its discretion waive all or part of the Subscription Fee, Redemption Fee or Conversion Fee.

Banks and other financial intermediaries appointed by or acting on behalf of the investors, where applicable, may charge administration and/or other fees or commissions to the investors pursuant to arrangements between those banks or other financial intermediaries and the investors. The Fund has no control over such arrangements.

### **9.2 Management Fee**

The AIFM will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund or Share Class and paid out of the assets of the Fund and allocated to each Sub-Fund and Share Class. The Management Fee will accrue on each Valuation Day and will be payable monthly in arrears at the rate specified in the Supplement for each Sub-Fund or Share Class. The AIFM will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

### **9.3 Performance Fee**

The AIFM may be entitled to receive a Performance Fee with respect to certain Sub-Funds or Share Classes; the payment and size of the Performance Fee depends on the performance of the Sub-Fund or Share Class over a specified time period, as set out in each Supplement. The Performance Fee is calculated and accrued at each Valuation Day on the basis of the Net Asset Value after deducting all fees (except the Performance Fee) and expenses (but not the Performance Fee) and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the Performance Fee. The Performance Fee is paid out of the assets of the Fund and allocated to the relevant Sub-Funds and Share Classes. Details regarding the calculation and payment of Performance Fees are contained in the Supplement.

### **9.4 Other Fees**

The Fund shall bear the following expenses:

- all taxes which may be payable on the assets, income and expenses chargeable to the Fund;
- standard brokerage fees and bank charges originating from the Fund's business transactions;
- all fees due to the Board of Directors;

- all fees due to the Administrator, Domiciliary Agent and the Depositary;
- all fees due to the Auditor
- all fees due to the legal advisors or similar administrative charges, incurred by the Fund and the Depositary for acting on behalf of the shareholders;
- all reasonable expenses of the Board of Directors, the Administrator and the Depositary;
- expenses connected with publications and the supply of information to shareholders, in particular the cost of printing global certificates and proxy forms for general meetings for the shareholders, the cost of publishing the issue and redemption prices, and also the cost of printing, the distribution of the annual reports, the Offering Document;
- all expenses involved in registering and maintaining the registration of the Fund with all governmental agencies and stock exchanges, as the case may be;
- all expenses incurred in connection with its operation and its management (e.g. insurance and interests) also including all extraordinary and irregular expenses which are normally incurred by the Fund.

All recurring expenses will be charged first against current income, then, should this not suffice, against realised capital gains, and, if necessary, against asset.

The maximum rate of the Other Fees is specified in the Supplement for each Sub-Fund or Share Class.

## **9.5 Extraordinary costs and expenses**

In order to safeguard the interests of the Fund and its investors, the Fund or any Sub-Fund may bear any extraordinary costs and expenses including, without limitation, costs and expenses related to litigation and regulatory investigations (including penalties, fines, damages and indemnifications) and the full amount of any tax, levy, duty or similar charge imposed on the Fund or Sub-Fund that would not be considered as ordinary Operating and Administrative Expenses.

## **9.6 Formation costs and expenses**

The costs and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five (5) years from the date of incorporation of the Fund. The formation costs and expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised formation costs and expenses of the Fund.

## **10. GENERAL INFORMATION**

### **10.1 Reports and financial statements**

The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP and will contain any material changes to the information listed in article 21 of the 2013 Law during the financial year to which the financial statement refers.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund. The first financial year ended on 31 December 2019 and the first Annual Report was issued as of 31 December 2019.

The Annual Reports shall be made available to investors within six (6) months following the end of the reporting period. Investors may obtain, upon request, a copy of the latest Annual Report from the Fund or AIFM free of charge.

The Reference Currency of the Fund is the Euro. The Annual Report will comprise consolidated accounts of the Fund expressed in Euro as well as individual information on each Sub-Fund expressed in the Reference Currency of such Sub-Fund.

### **10.2 Meetings of shareholders**

The annual general meeting of shareholders will be held within six (6) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Other general meetings of shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Fund. General meetings of shareholders of any Sub-Fund or any Share Class within a Sub-Fund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Sub-Fund or Share Class.

Notices of all general meetings may be made through announcements filed with the Luxembourg Trade and Companies Register and be published at least fifteen (15) days before the meeting in the *Recueil électronique des sociétés et associations (RESA)* and in a Luxembourg newspaper and sent to all registered shareholders by ordinary mail (*lettre missive*); alternatively, convening notices may be sent to registered shareholders by registered mail at least eight (8) calendar days prior to the meeting or if the addressees have individually accepted to receive the convening notices by another means of communication ensuring access to the information, by such means of communication (e.g. by e-mails). Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles of Association and in the 1915 Law. All shareholders may attend general meetings in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Fund. A single person may represent several or even all shareholders of the Fund, a Sub-Fund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of



shareholders of the Fund, and at all meetings of the Sub-Fund or Share Class concerned to the extent that such Share is a Share of such Sub-Fund or Share Class.

Shareholders holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the board of directors relating to transactions in connection with the management of the Fund.

The Board of Directors may suspend the voting rights of any shareholder in breach of his obligations as described in this Offering Document, the Subscription Form or the Articles of Association.

### **10.3 Investors' rights**

Upon the issue of the Shares, the person whose name appears on the register of Shares will become a shareholder of the Fund in relation to the relevant Sub-Fund and Share Class. The Fund draws the investors' attention to the fact that, where an investor invests in the Fund through an intermediary acting in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights, such as the right to participate in general meetings of shareholders, directly against the Fund. Investors are advised to seek advice in relation to their rights.

The Articles of Association are governed by, and construed in accordance with, the laws currently in force in Luxembourg. The Subscription Form is expressed to be governed by, and construed in accordance with, the laws currently in force in Luxembourg, and contains a choice of international competence of the courts of Luxembourg.

There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of mandatory domestic provisions, renders a judgment against the Fund, the rules of the Brussels I (Recast) (regarding judgments from EU Member States) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU Member States) concerning the recognition and enforcement of foreign judgments apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

Absent a direct contractual relationship between the investors and the service providers mentioned in section 6 (Management and Administration) above, the investors will generally have no direct rights against service providers and there are only limited circumstances in which an investor can potentially bring a claim against a service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by a service provider is, *prima facie*, the Fund itself.

### **10.4 Changes to this Offering Document**

The Board of Directors, in close cooperation with the AIFM, may from time to time amend this Offering Document to reflect various changes it deems necessary and in the best interest of the Fund, such as implementing changes to laws and regulations, changes to a Sub-Fund's objective and policy or changes to fees and costs charged to a Sub-Fund or Share Class.

Provided that such changes are not material to the structure and/or operations of the Fund and/or are beneficial or at least not detrimental to the interests of the relevant shareholders, as determined by the Board of Directors at its sole but reasonable discretion, in such case, this Offering Document will be amended and such shareholders will be provided with the updated

Offering Document prior to the change(s) being effective, and where not feasible as soon as reasonably possible.

Should the changes be material to the structure and/or operations of the Fund and/or could be detrimental to the interests of the relevant shareholders, such changes shall only become effective and this Offering Document amended accordingly, in compliance with the 2016 Law, upon either:

- in case of a close-ended Sub-Fund, obtaining a prior approval of such changes by a decision of the general meeting of the relevant shareholders in the Fund, passed with (a) at least two thirds (2/3) of the votes attached to all Shares issued by the Fund and validly cast by those present or represented at the meeting; and (b) a presence quorum requirement of at least fifty percent (50%) of all Shares issued by the Fund at the first call and, if not achieved, with no quorum requirement for the second call. Once approved in compliance with this paragraph, the proposed changes shall become immediately effective towards all relevant shareholders, and for the avoidance of doubt, shareholders will not be offered the right to request the cost-free redemption of their Shares prior to any such changes becoming effective; or
- in case of an open-ended Sub-Fund, giving prior notice to the investors in order for them to request the redemption of their Shares should they disagree.

## **10.5 Documents and information available**

Investors may obtain, upon request during business hours on any full bank business day in Luxembourg, a copy of this Offering Document as well as of the latest Annual Report and the Articles of Association from the AIFM free of charge.

The AIFM has adopted a "best execution" policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy may be obtained from the AIFM upon request.

Where available the historical performance of each Sub-Fund can requested from the AIFM and will be provided to investors prior to their investment in the Sub-Fund.

The AIFM has a strategy for determining when and how voting rights attached to ownership of a Sub-Fund's investments are to be exercised for the exclusive benefit of the Sub-Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy in relation to each Sub-Fund may be obtained from the AIFM upon request.

Copies of the following documents are available for inspection during usual business hours on any Business Day at the registered office of the Fund: the Management Agreement, the Depositary Agreement, the Administration Agreement and the Investment Management Agreement.

## **10.6 Data protection**

In accordance with the provisions of the provisions of the EU Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**GDPR**") and the applicable Luxembourg data protection laws (including the law of 1st August 2018 organizing the National Commission for data protection and the general system on data protection, as amended from time to time) (collectively hereinafter the "**Data Protection Laws**"), the AIFM, as data controller (the "**Data Controller**"), collects, stores and processes, by electronic or other means, the data supplied

by investors and/or prospective investors (or if the investor and/or prospective investor is a legal person, any natural person related to it such as its contact person(s), employee(s), trustee(s), nominee(s), agent(s), representative(s) and/or beneficial owner(s)) (the "**Data Subjects**") for the purpose of fulfilling the services required by the investors and/or prospective investors and complying with its legal and regulatory obligations.

The data processed includes in particular the Data Subject's name, contact details (including postal or email address), banking details, invested amount and holdings in the Fund of investors ("**Personal Data**").

The Data Subjects may at their discretion refuse to communicate Personal Data to the Data Controller. In this case, however, the Data Controller may reject a request for Shares if the Personal Data are necessary for the subscription of Shares.

Investors and/or prospective investors who are legal persons undertake and guarantee to process Personal Data and to supply such Personal Data to the Data Controller in compliance with the Data Protection Laws, including, where appropriate, informing the relevant Data Subjects of the contents of the present section, in accordance with Articles 12, 13 and/or 14 of the GDPR. Personal Data supplied by Data Subjects are processed in order to enter into and execute the subscription in the Fund (i.e. to perform any pre-contractual measures as well as the contract entered into by the Data Subjects), for the legitimate interests of the Data Controller and to comply with the legal obligations imposed on the Data Controller. Personal Data supplied by Data Subjects is processed, in particular, for the purposes of (i) maintain the register of shareholders, (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends to investors, (iii) account administration, (iv) client relationship management, (v) commercial prospection, (vi) performing controls on excessive trading and market timing practices, (vii) tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or CRS) and (viii) compliance with applicable anti-money laundering rules. In addition, Data Subjects acknowledge their right to object to the use of their Personal Data for commercial prospection by writing to the Data Controller.

The "legitimate interests" of the Data Controller referred to above are: (a) the processing purposes described in points (iv) and (v) of the above paragraph of this clause; (b) the provision of the proof, in the event of a dispute, of a transaction or any commercial communication; as well as in connection with any proposed purchase, merger or acquisition of any part of the Fund's business and (c) exercising the business of the Fund in accordance with reasonable market standards.

The Personal Data may also be processed by the Data Controller's data recipients (the "**Recipients**") which, in the context of the above mentioned purposes, refer to the AIFM, the Administrator, the Depositary, the Distributor, the Auditor, the Legal advisers as well as any other third party supporting the activities of the Data Controller. The Recipients may, under their own responsibility, disclose the Personal Data to their agents and/or delegates (the "**Sub-Recipients**"), which shall process the Personal Data for the sole purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations.

The Recipients may be located either inside or outside the European Economic Area (the "**EEA**"). Where the Recipients are located outside the EEA in a country which does not ensure an adequate level of protection for Personal Data, the Data Controller has entered into legally binding transfer agreements with the relevant Recipients in the form of the EU Commission approved model clauses. In this respect, the Data Subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller.

The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data on behalf and upon instructions of the Data Controller), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

The Data Controller may also transfer Personal Data to third parties such as governmental or regulatory agencies including tax authorities, in or outside the European Union, in accordance with applicable laws and regulations. In particular, such Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may act as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Law, the Data Subjects acknowledge their right to:

- access their Personal Data;
- correct their Personal Data where it is inaccurate or incomplete;
- object to the processing of their Personal Data;
- restrict the use of their Personal Data;
- ask for erasure of their Personal Data;
- ask for Personal Data portability.

The Data Subjects may exercise their above rights by writing to the Data Controller at the following address: 5, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg.

The Data Subjects also acknowledge the existence of their right to lodge a complaint with the *Commission Nationale pour la Protection des Données* (the "**CNPD**") at the following address: 15, Boulevard du Jazz, L-4370 Belvaux, Grand-Duchy of Luxembourg; or with any competent data protection supervisory authority of their EU Member State of residence.

Personal Data will not be retained for a period longer than necessary for the purpose of the data processing, subject to applicable legal minimum retention periods.

## **10.7 Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy Regulation**

Pursuant to the SFDR, the Sub-Funds are required to disclose the manner in which Sustainability Risks are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Funds.

Unless specified in the relevant Supplement, the Sub-Funds are considered as falling within the scope of Article 6 of the SFDR as they do not promote Sustainability Factors and do not have sustainable investments as for objective. In addition, unless specified in the relevant Supplement, the Sub-Funds do not integrate Sustainability Risks in the investment decision making and risk monitoring due to:

- the complexity of their investment strategy and the difficulty to include material data on Sustainability Factors in portfolios construction; the main criteria for the underlyings selection being the correlation between constituents of corporate debt indexes, the recovery rates in case of default and the general level of credit spreads. The AIFM however believes that Sustainability Risks are minimized in portfolios construction as the Sub-Funds strategies consist of long and short positions on the same underlyings. The situation may however be reviewed as methodologies on Sustainability Risks identification improve; or,
- the fact that the underlying is not directly exposed to Sustainability Risks (e.g. interest rate swaps, FX hedges).

Principal adverse impacts of investment decisions on Sustainability Factors are equally not considered due to similar challenges in their measurement or because there are no direct adverse impacts.

Pursuant to the Taxonomy Regulation, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **10.8 Merger and reorganisation**

### **10.8.1 Merger of the Fund, Sub-Funds or Share Classes**

The Board of Directors may decide to merge, in accordance with applicable laws and regulations, the Fund, a Sub-Fund or Share Class (the "**Merging Entity**") with (i) another Sub-Fund or Share Class of the Fund, or (ii) another Luxembourg RAIF or sub-fund or share class thereof, or (iii) another foreign UCI or sub-fund or share class thereof (the "**Receiving Entity**") in the event that, for any reason, the Board of Directors determines that:

- (i) the Net Asset Value of the merging Sub-Fund or Share Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Share Class to be managed and/or administered in an efficient manner,
- (ii) changes in the legal, economic or political environment would justify such merger, or
- (iii) a product rationalisation would justify such merger,

by transferring the assets and liabilities from the Merging Entity to the Receiving Entity, or by allocating the assets of the Merging Entity to the assets of the Receiving Entity, or by any other method of merger, amalgamation or reorganisation, as may be applicable, and, following a split or consolidation, if necessary, and the payment to investors of the amount corresponding to any fractional entitlement, by re-designating the shares of the Merging Entity as shares of the Receiving Entity, or by any other method of reorganisation or exchange of shares, as may be applicable.

Investors of the Merging Entity will be informed of the merger by way of a notice sent prior to the merger in accordance with applicable laws and regulations. The notice will indicate the reasons for and the procedures of the merger, as well as information on the Receiving Entity.

Such a merger does not require the prior consent of the shareholders except where the Fund is the Merging Entity which, thus, ceases to exist as a result of the merger; in such case, the general meeting of shareholders of the Fund must decide on the merger and its effective date. However, in case the Board of Directors has decided to merge a Sub-Fund or Share Class into another Luxembourg RAIF or other UCI of the contractual type (*fonds commun de placement*) or sub-fund or share class thereof, or into another foreign UCI or sub-fund or share class thereof, special approval and/or majority requirements may apply in compliance with applicable legal and regulatory requirements.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraphs, investors of the Merging Entity may decide on such merger by resolution taken by the general meeting of shareholders of the Sub-Fund or Share Class concerned. The convening notice to the general meeting of shareholders of the Sub-Fund or Share Class will indicate the reasons for and the procedures of the proposed merger, as well as information on the receiving Entity.

### **10.8.2 Absorption of another fund or sub-fund or share class**

The Board of Directors may decide to proceed, in accordance with applicable laws and regulations, with the absorption by the Fund or one or several Sub-Funds or Share Classes of (i) another Luxembourg RAIF or sub-fund or share class thereof, or (ii) another foreign UCI or sub-fund or share class thereof (the "**Absorbed Entity**"). The exchange ratio between the Shares and the shares or units of the Absorbed Entity will be calculated on the basis of the net asset value per share or unit as of the effective date of the absorption.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of the Fund or any Sub-Fund or Share Class, as applicable, may also decide on any of the absorptions described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund or Share Class. The convening notice will explain the reasons for and the process of the proposed absorption.

### **10.8.3 Reorganisation of Sub-Funds or Share Classes**

Under the same conditions and procedure as for a merger of Sub-Funds or Share Classes into another Sub-Fund or Share Class of the Fund, the Board of Directors may decide to reorganise a Sub-Fund or Share Class by means of a division into two or more Sub-Funds or Share Classes.

## **10.9 Liquidation**

### **10.9.1 Termination and liquidation of Sub-Funds or Share Classes**

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

- (i) the Net Asset Value of a Sub-Fund or Share Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Share Class to be operated in an efficient manner;
- (ii) changes in the legal, economic or political environment would justify such liquidation; or
- (iii) a product rationalisation would justify such liquidation.

Investors will be informed of the decision to terminate a Sub-Fund or Share Class by way of a notice. The notice will explain the reasons for and the process of the termination and liquidation.

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

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

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Investors in the Sub-Fund or Share Class concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determines that it would not be in the best interest of investors in that Sub-Fund or Share Class or could jeopardise the fair treatment of investors.

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

The termination and liquidation of a Sub-Fund or Share Class will have no influence on the existence of any other Sub-Fund or Share Class. The decision to terminate and liquidate the last Sub-Fund existing in the Fund will result in the dissolution and liquidation of the Fund in accordance as described in section 10.9.2 (Dissolution and liquidation of the Fund) below.

### **10.9.2 Dissolution and liquidation of the Fund**

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

The compulsory dissolution of the Fund may be ordered by Luxembourg competent courts in circumstances provided by the 2016 Law and the 1915 Law.

As soon as a decision to dissolve the Fund is taken, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited. The liquidation will be carried out in accordance with the provisions of the 2016 Law and 1915 Law. Liquidation proceeds which have not been claimed by investors at the time of the closure of the liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

## 11. TAXATION

### 11.1 General

The following summary is based on the law and practice applicable in the Grand Duchy of Luxembourg as at the date of this Offering Document and is subject to changes in law (or interpretation) later introduced, whether or not on a retroactive basis. Investors should inform themselves of, and when appropriate, consult their professional advisors with regards to the possible tax consequences of subscription for buying, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

It is expected that the Fund's shareholders will be residents for tax purposes in many different countries. Consequently, no attempt is made in this Offering Document to summarise the taxation consequences for each investor subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile or incorporation and with a shareholder's personal circumstances. Investors should be aware that the residence concept used under the respective headings applies for Luxembourg tax assessment purposes only. Any reference in this Section 11 to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only.

Shareholders should also note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), personal income tax (*impôt sur le revenu*) as well as a temporary equalisation tax (*impôt d'équilibrage budgétaire temporaire*). Corporate shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, net wealth tax and the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, to the solidarity surcharge and to a temporary equalization tax. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply in addition.

### 11.2 Taxation of the Fund

Under current law and practice, the Fund is not liable to any Luxembourg income or net wealth tax.

However, the Fund is liable in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.01% *per annum* of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the respective Sub-Fund at the end of the relevant quarter.

The following are however exempt from subscription tax:

- the value of the assets represented by shares or units held in other UCIs to the extent such shares or units have already been subject to the subscription tax provided for by Article 46 of the 2016 Law, Article 174 of the 2010 Law or Article 68 of the amended law of 13 February 2007 relating to specialised investment funds ("**SIFs**") ;
- RAIFs as well as individual compartments of RAIFs with multiple compartments:



- which are authorised as short-term money market funds in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money funds.
  - which have obtained the highest possible rating from a recognised rating agency.
- RAIFFs as well as individual compartments and classes of RAIFFs whose securities or partnership interest are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, set up on one or several employers' initiative for the benefit of their employees and (ii) companies of one or several employers investing the funds they hold, in order to provide their employees with retirement benefits;
  - RAIFFs as well as individual compartments of RAIFFs with multiple compartments whose investment policy provides that at least fifty (50) per cent of their assets shall be invested in one or several microfinance institutions;
  - RAIFFs as well as individual compartments of RAIFFs with multiple compartments that are authorised as European long-term investment funds in accordance with Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds, as amended.

Under current Luxembourg tax law, the Fund is not liable to withholding taxes on dividends or distribution of liquidation proceeds to the shareholders under the Shares.

No stamp duty or other tax is generally payable in Luxembourg on the issue of Shares for cash by the Fund. Incorporation of the Fund and any subsequent amendments to the Articles of Association are as a rule subject to a fixed registration duty of EUR 75.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. Although the Fund's realised capital gains, whether short term or long term, are not expected to become taxable in another country, shareholders must be aware and recognise that such a possibility is not totally excluded. The regular income of the Fund from some of its securities as well as interest earned on cash deposits and capital gains in certain countries may be liable to withholding taxes at varying rates, which normally cannot be recovered. Withholding and other taxes levied at source, if any, are not recoverable. Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be determined on a case-by-case basis.

In Luxembourg, regulated investment funds such as SICAV-RAIFFs have the status of taxable persons for VAT purposes. Accordingly, the Fund is considered in Luxembourg as a taxable person for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its shareholders, to the extent that such payments are linked to their subscription to the Shares and do, therefore, not constitute the consideration received for taxable services supplied.

### **11.3 Taxation of the investors**

#### **11.3.1 Luxembourg tax residency**

A shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of Shares or the execution, performance or enforcement of its rights thereunder.

### **11.3.2 Luxembourg residents**

Luxembourg resident shareholders are not liable to any Luxembourg income tax on reimbursement of the share capital contributed to the Fund.

a) Luxembourg resident individuals

Any dividends and other payments derived from the Shares received by Luxembourg resident individuals, who act in the course of either their private wealth or their professional or business activities are subject to income tax at the progressive ordinary rates.

Capital gains realised upon the sale, disposal or redemption of Shares by Luxembourg resident individual shareholders acting in the course of the management of their private wealth are not subject to Luxembourg income tax, provided this sale, disposal or redemption takes place more than six months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as a substantial shareholding in limited cases, in particular if (i) the shareholder has held, either alone or together with his/her spouse or partner and/or his/her minor children, either directly or indirectly, at any time within the five years preceding the realisation of the gain, more than 10% of the share capital of the Fund or (ii) the shareholder acquired free of charge, within the five years preceding the transfer, a participation that constituted a substantial participation in the hands of the alienator (or alienators, in case of successive transfers free of charge within the same five year period). Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding.

Capital gains realised upon the disposal of the Shares by a resident individual shareholder, who acts in the course of the management of his professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

b) Luxembourg resident corporations

Luxembourg resident corporate shareholders (*sociétés de capitaux*) must include any profits derived, as well as any gain realised on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

c) Luxembourg residents benefiting from a special tax regime

Luxembourg resident shareholders which benefit from a special tax regime, such as (i) UCIs subject to the 2010 Law, (ii) SIFs governed by the amended law of 13 February 2007, (iii) RAIFs treated as SIFs for Luxembourg tax purposes and governed by the 2016 Law, (iv) professional pension institutions governed by the amended law of 13 July 2005 and (v) family wealth management companies governed by the amended law of 11 May 2007, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

### 11.3.3 Luxembourg non-residents

Shareholders, who are non-residents of Luxembourg and which have neither a permanent establishment nor a permanent representative in Luxembourg to which the Shares are attributable are generally not subject to any tax on income and capital gains in Luxembourg.

Corporate shareholders which are non-residents of Luxembourg but which have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are

attributable must include any income received, as well as any gain realised on the sale, disposal or redemption of Shares in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

Shareholders should consult their professional advisors regarding the possible tax or other consequences of buying, holding, transferring or selling Shares under the laws of their countries of citizenship, residence or domicile.

#### **11.3.4 Net wealth tax**

Luxembourg resident shareholders, and non-resident shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, unless the shareholder is (i) a resident or non-resident individual taxpayer, (ii) a UCI governed by the 2010 Law, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a RAIF governed by the 2016 Law, (v) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (vi) a SIF governed by the amended law of 13 February 2007, (vii) a family wealth management company governed by the amended law of 11 May 2007, or (viii) a professional pension institution governed by the amended law of 13 July 2005.

However, (i) a Luxembourg resident securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a professional pension institution governed by the amended law of 13 July 2005, (iii) a RAIF treated as a venture capital vehicle for Luxembourg tax purposes and governed by the 2016 Law and (iv) a Luxembourg resident company governed by the amended law of 15 June 2004 on venture capital vehicles shall be subject to the minimum net wealth tax charge according to the amended law of 16 October 1934 on net wealth tax.

#### **11.3.5 Other taxes**

Under Luxembourg tax law, where an individual shareholder is a resident of Luxembourg for tax purposes at the time of his death, the Shares are included in his taxable basis for inheritance tax purposes. On the contrary, no estate or inheritance tax is levied on the transfer of Shares upon death of an individual shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his death.

Luxembourg gift tax may be levied on a gift or donation of Shares if embodied in a Luxembourg notarial deed or otherwise registered in Luxembourg.

#### **11.3.6 FATCA**

The Foreign Account Tax Compliance Act (FATCA), which forms part of the US Hiring Incentives to Restore Employment (HIRE) Act, was enacted in the US in 2010 and took effect on 1 July 2014. The Act requires that foreign financial institutions ("FFIs"), that is financial institutions established outside of the US, report information on financial accounts held by specified US Persons or Non-US Entities qualifying as a passive non-financial foreign entity ("NFFE") with one or more Controlling Person that is a Specified US Person (together referred to as "US Reportable Accounts") to the US tax authorities (Internal Revenue Service, IRS) every year. A withholding tax of 30% is also levied on revenue from a US source paid to FFIs that do not comply with the requirements of FATCA ("non-participating FFIs").

On 28 March 2014, the Grand Duchy of Luxembourg signed an intergovernmental agreement with the US ("Luxembourg IGA") implemented by the Luxembourg law dated 24 July 2015 ("FATCA Law"). Funds that are considered FFIs are required to comply with the Luxembourg IGA as introduced into national law following its ratification rather than comply directly with the FATCA regulations as issued by the US government.

Pursuant to the Luxembourg IGA, funds are required to collect specific information identifying their shareholders/unitholders and all intermediaries (nominees) acting on behalf of the latter. Funds will be required to report information they have about US Reportable Accounts and non-participating FFIs to the Luxembourg tax authorities, which in turn relay that information automatically to the IRS.

Funds must comply with the provisions of the Luxembourg IGA as introduced into national law following its ratification in order to be considered compliant with the FATCA and to be exempt from the 30% withholding tax levied on US investments, whether real or considered as such. To guarantee such compliance, the Fund or any authorised agent may:

- a. seek information or additional documentation, including US tax forms (Forms W-8 / W-9) and a GIIN (Global Intermediary Identification Number), where necessary, or any other documentary evidence of the identification of a shareholder/unitholder, intermediary, and their respective status pursuant to FATCA,
- b. report information specifically related to a shareholder/unitholder and its account to the Luxembourg tax authorities if it is considered a US reportable account pursuant to the Luxembourg IGA, or if the account is believed to be held by a non-participating FFI pursuant to FATCA, and
- c. where required, arrange for the deduction of US withholding tax applicable to payments made to certain shareholders/unitholders, in accordance with FATCA.

Notions and terms (notably capitalized terms) related to the FATCA should be interpreted and understood with reference to the definitions of the Luxembourg IGA and the texts ratifying this agreement under applicable national law, and solely on a secondary basis according to the definitions contained in the FATCA Final Regulations issued by the US government. ([www.irs.gov](http://www.irs.gov)).

The Fund may be required as part of its compliance with FATCA to disclose to the US tax authorities, via the Luxembourg tax authorities, personal information related to Specified US Persons, non-participating FFIs, and passive NFFEs with one or more Controlling Person that is a Specified US Person.

In the event of doubt concerning their status under FATCA or the implications of FATCA or the IGA in terms of their personal situation, investors are recommended to consult their financial, legal or tax advisor before subscribing for Shares in the Fund.

The Shares have not been and will not be registered pursuant to the US Securities Act of 1933 (hereafter referred to as "the Act of 1933"), or pursuant to any law applicable in a US state, and the Shares may not, either directly or indirectly, be transferred, offered or sold in the United States of America (including its territories and possessions), to any US national (hereafter referred to as a "US Person"), as defined in "Regulation S" in the Act of 1933, as adopted by the U.S. Securities and Exchange Commission (SEC).

The Fund is not and will not be registered pursuant to the US Investment Company Act of 1940, its amendments, or any other law governing marketable securities. Any resale or transfer

of Shares in the United States of America or to a US Person may be construed as a breach of US law.

The offering of Shares has not been authorised by the SEC, a similar body within any US state, or any other US regulatory body, nor have said authorities given an opinion on or endorsed the merits of this offering, or the accuracy or appropriateness of the documents related to it. Any claim to the contrary is unlawful.

Person(s) wishing to buy or subscribe for Shares must first provide written certification that they are not a US Person.

The Fund has the powers to enforce restrictions:

- (i) concerning the holding of Shares by a US Person and thus to order the compulsory redemption of said Shares; or
- (ii) concerning the transfer of Shares to a US Person.

This power also extends to any person (a) who is considered to be in breach, directly or indirectly, of the laws and regulations of any country or governmental authority, or (b) who may, in the opinion of the Fund, have caused damages to the Fund that it would not otherwise have endured or suffered.

All shareholders must immediately inform the Fund in the event they become a US Person.

Any shareholder who has become a US Person shall no longer be authorised to buy new Shares, and they may be asked at any time to give up their Shares to a non-US Person.

The Fund reserves the right to impose the redemption of any Shares held, directly or indirectly, by a US Person or by any person where such holding is in breach of the law or the interests of the Fund and any shareholder that fails to comply with the Fund's documentation requests may be charged with any taxes imposed on the Fund attributable to such shareholder's failure to provide the information.

### 11.3.7 Exchange of information

- a) Common reporting standard

Capitalised terms used in this section should have the meaning as set forth in the CRS-Law (as defined below), unless provided otherwise herein.

The Fund may be subject to the CRS as set out in the Luxembourg law dated 18 December 2015 implementing the CRS (the "**CRS-Law**").

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States ("**DAC Directive**"). The adoption of the aforementioned directive implements CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information

with other participating jurisdictions as of 1 January 2016. The CRS-Law implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law.

Under the terms of the CRS-Law, the Fund may be required to annually report to the Luxembourg tax authorities, the name, address, Member State(s) of residence, TIN(s), as well as the date and place of birth i) of each Reportable Person that is an Account Holder, ii) and in the case of a Passive, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the Luxembourg tax authorities to foreign tax authorities.

Additionally, the Fund is responsible for the processing of personal data and each shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the GDPR.

The Fund's ability to satisfy its reporting obligations under the CRS-Law will depend on each shareholder providing the Fund with the information regarding direct or indirect owners of each shareholder, along with the required supporting documentary evidence. Upon request of the Fund, each shareholder shall agree to provide the Fund such information.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the CRS-Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a tax or penalty as result of the CRS-Law, the value of the Shares held by the shareholders may suffer material losses.

Any shareholder that fails to comply with the Fund's documentation requests may be charged with any taxes and penalties imposed on the Fund and attributable to such shareholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Shares of such shareholder.

Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS-Law on their investment.

#### b) DAC 6

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("**DAC6**"). DAC6 has been implemented in Luxembourg by the law of 25 March 2020 (the "**DAC6 Law**").

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, meet one or more "hallmarks" provided for in the DAC6 Law that is coupled in certain cases, with the main benefit test (the "**Reportable Arrangements**").

In the case of a Reportable Arrangement, the information that must be reported includes *inter-alia* the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with the persons that design, market, organise make available for implementation or manage the implementation of the Reportable Arrangement or provide assistance or advice in relation thereto (the so-called "intermediaries"). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

Since 1 January 2021, Reportable Arrangements must be reported within thirty days from the earliest of (i) the day after the Reportable Arrangement is made available for implementation or (ii) the day after the Reportable Arrangement is ready for implementation or (iii) the day when the first step in the implementation of the Reportable Arrangement has been made.

The information reported will be automatically exchanged between the tax authorities of all Member States.

In light of the broad scope of the DAC6 Law, transactions carried out by the Fund may fall within the scope of the DAC6 Law and thus be reportable.



## **SUPPLEMENT I: AXIOM CREDIT OPPORTUNITY**

### **1. Duration and Term**

The Sub-Fund has been launched on 29 November 2018 and was expected to continue until 31 December 2024, subject to up to two successive extensions of maximum one year as determined by the Board (the "**Maturity Date**").

Further to the decision of the Board, the Maturity Date has been extended to 31 December 2025, subject to one additional extension of maximum one year, as may be decided by the Board.

### **2. Reference Currency**

The Reference Currency of the Sub-Fund is the Euro.

### **3. Investment Objective and Policy**

The Investment Objective of the Sub-Fund is to achieve positive risk-adjusted returns to investors primarily through opportunistic investments in credit markets. To achieve the Investment Objective, Axiom Alternative Investments (the "AIFM") will seek to identify long and short investments in financial instruments referencing credit indices and corporate issuers, while following a market neutral approach. The Sub-Fund mainly invests in Europe and North America but may also invest a portion of its assets globally.

Derivative instruments (including both exchange-traded and over-the-counter derivatives, such as swaps, futures and options) may be used for investment and hedging purposes. By using such derivative instruments, the Sub-Fund itself can be economically leveraged and could therefore be subject to an accelerated increase or decrease of the Net Asset Value of the Sub-Fund (relative to the increase or decrease in value of the asset to which the derivative instruments relate). Derivatives are typically unfunded instruments. If the Sub-Fund is investing extensively using unfunded derivatives, a significant proportion of the assets of the Sub-Fund may be invested in cash bonds, including government bonds. The Sub-Fund may also hold cash on an ancillary basis.

The maximum proportion of the Net Asset Value of the Sub-Fund that may be subject to Total Return Swaps and CFDs with similar characteristics is 150% calculated by reference to the exposure of the Total Return Swaps and CFDs with similar characteristics. However, it is generally expected that the Net Asset Value of the Sub-Fund that will be subject to Total Return Swaps and CFDs with similar characteristics will remain within the range of 0% to 50% calculated by reference to the exposure of the Total Return Swaps and CFDs with similar characteristics.

Up to 10% of the Net Asset Value of the Sub-Fund may be borrowed provided that such borrowing is on a temporary basis. Such borrowing may only be used for liquidity purposes (e.g., to cover shortfalls caused by mismatched settlement dates on purchase and sale transactions, finance repurchases or pay fees reverting to a service provider) and/or for investment purposes. The assets of Sub-Fund may be charged as security for any such borrowings in accordance with the principle of segregation of assets and liabilities provided by Article 49(5) of the 2016 Law.

While the Reference Currency of the Sub-Fund is EUR, a proportion of the assets of the Sub-Fund may, however, be invested in securities and other investments which are denominated in currencies other than the Reference Currency. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates and the AIFM may (but

shall not be obligated to) enter into foreign exchange hedging transactions to attempt to mitigate part or all of such currency risks.

The Share Classes with an Initial Issue Price denominated in a currency different from the Reference Currency (the "Share Class Currency") will enter into foreign exchange hedging transactions, the aim of which is to protect the Net Asset Value of such Class against adverse fluctuations of the Share Class Currency against the Reference Currency. Such foreign exchange forward contracts are expected to be concluded once a month with a maturity of one month and revolved on a monthly basis unless more regular adjustments are necessary with a view to avoiding over-hedged and under-hedged positions respectively exceeding 105% of the Net Asset Value of the relevant Share Class and falling short of 95% of the portion of the Net Asset Value of the relevant Share Class which is to be hedged against currency risk.

The Sub-Fund will not invest more than 10% of its Net Asset Value in units or shares of other UCITS or other UCIs in order to be eligible for investment by UCITS governed by the UCITS Directive. Further information on the Sub-Fund's Investment Policy is contained in the main part of the Offering Document under "Investment Strategy and Restrictions".

The Sub-Fund will have no maturity date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the Offering Document and the Articles of Association.

#### **4. Investment Strategy and Type of Investments**

##### **Overview of Investment Strategy**

The Sub-Fund's investment strategy seeks to generate positive risk-adjusted returns in both decreasing and increasing credit spread environments by taking long and short positions, either directly or indirectly through derivatives in the case of long positions or indirectly through derivatives only in the case of short positions. The AIFM typically constructs the portfolio to be market neutral. The AIFM aims to build a diversified long portfolio of liquid credit indices with focus on investment grade and non-investment grade indices in Europe and North America such as ITRAXX Main and XOVER indices and Markit CDX North America Investment Grade and High Yield indices. The long portfolio is hedged with short positions in index options and credit default swaps on index or index constituents so as to have a market neutral portfolio i.e. a portfolio that aims to be neutral to increases and decreases in credit spreads. The AIFM typically focuses on credit investment opportunities where the current market value of a proposed investment does not reflect the inherent value of such instrument as perceived by the AIFM (i.e. where the AIFM believes that the market has overvalued or undervalued the instrument relative to the AIFM's analysis of the actual value of that instrument). The assessment is based on the AIFM's expectation of the ratio of annual return to default risk of the instruments. Pursuant to the above, the AIFM undertakes fundamental research on credit indices and their underlying constituents to identify the potentially underperforming securities and takes short exposure in them. The fundamental analysis encompasses variables such as macro environment, corporate news, market structure, profitability and debt-equity ratio. The AIFM's fundamental analysis is combined with a risk management approach that aims to maximize expected return relative to risk inherent in the portfolio. This is performed with a view to ensuring the portfolio liquidity and control the expected maximum drawdown levels (i.e. the largest drop from peak in the value of a portfolio) by hedging the default risk exposures. The risk management approach employs processes such as stress testing, back-testing, analysis of sensitivity to market variables and monitoring of default exposure in order to achieve the above mentioned objective.

##### **Types of Investments**

The Sub-Fund will invest principally in credit markets referencing predominantly corporate issuers in Europe and North America. The types of debt securities in which the Sub-Fund may invest include: debt securities issued or guaranteed by national governments, their agencies,

instrumentalities and political sub-divisions (including inflation protected securities, which are securities that are indexed to inflation i.e. amount invested in them increases with increase in inflation and decreases with the decrease in inflation); debt securities of supranational organizations such as freely transferable promissory notes, bonds and debentures; corporate debt securities, including freely transferable promissory notes, debentures, bonds; convertible bonds (which may embed an option and therefore leverage); securitized participations in loans that are transferable securities; Eurodollar bonds and Yankee dollar instruments (including senior and subordinated notes). These debt securities may contain any type of interest rate payment or reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment-in-kind and those with auction rate features (being variable rate debt securities with long maturities (eg 10 to 30 years) but with coupons linked to short-term interest rates (eg 3 months to 6 months)). For the avoidance of doubt, no more than 10% in aggregate of the Net Asset Value of the Sub-Fund may be invested in securities which are not listed or traded on markets. The Sub-Fund will also take exposure to credit indices through total return swaps, credit default swaps, options and index tranches that are eligible UCITS financial indices, such as ITRAXX Main and XOVER indices and Markit CDX North America Investment Grade and High Yield indices, tranches on such credit indices (ie, instruments that allow investors to gain exposure to a particular portion of the potential loss on an index, for example, buying protection on 0-10% tranche of an index provides protection to investors in the event of default on up to 10% of index constituents in return for payment of a periodic premium and vice versa) and collateralized debt obligations on such credit indices. Collateralized debt obligations that the Sub-Fund may invest into may embed derivatives, such as credit default swaps, credit options and /or leverage. The Sub-Fund is also authorized to utilize a broad range of derivative instruments for investment and hedging purposes including swaps, options, futures, forward interest rate contracts, swaptions, and options on futures, contracts for differences (CFD), credit default swaps, and forward currency exchange contracts.

## **5. Distributions**

The Sub-Fund may make distributions during the life of the Sub-Fund in accordance with section 7.2 (Distribution policy) and the applicable laws.

In particular, it is the intention to distribute the income and proceeds received from any existing and/or previous investments, which have not been re-invested in accordance with section 4 (Investment Strategy and Type of Investments) above.

Any such distributions payments will normally be made by electronic transfer to the account of the relevant Shareholder at the risk and expense of the Shareholder within 30 calendar days of such a declaration provided that all the required documentation has been furnished to and received by the Administrator.

## **6. Investor profile**

The Sub-Fund has been designed for investors who are looking for long term capital growth through exposure to alternative investment strategies. As the Sub-Fund may therefore employ sophisticated strategies (including the use of derivatives), it is intended only for knowledgeable and experienced investors who are able to understand and evaluate both the investment strategy and its inherent risks (such understanding and evaluation may be gained through advice from a professional advisor). The AIFM will ensure that distributors have in place adequate procedures to categorise investors under the MiFID client classification rules or local jurisdiction equivalent rules, to determine the suitability of the Sub-Fund as an investment for any prospective investor and to inform such prospective investor about any risks associated with an investment in the Sub-Fund. In addition, investors must be able and willing to invest in a sub-fund with a high risk grading as further described in the main part of the Offering Document under "General Risk Factors"

## **7. Specific risks**

Investors should carefully read section 4 (Investment strategy and restrictions) and section 5 (General Risk Factors) of the Offering Document before investing in the Sub-Fund. Investors should in particular consider the following risks which are specific to the Sub-Fund.

Investors should note that the Sub-Fund is not guaranteed or capital protected. Investors in this Sub-Fund should be prepared and able to sustain losses of the capital invested, up to a total loss. The Sub-Fund's Investment Strategy is speculative and entails substantial risks. There can be no assurance that the investment objective of the Sub-Fund will be achieved, and results may vary substantially over time. An investment in the Sub-Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. You should be aware that synthetic short selling (i.e. obtaining "short" positions through the use of derivatives), the high level of leverage, the use of derivatives for other purposes than hedging and other leveraged positions could, in certain circumstances, substantially increase the impact of adverse market conditions on the Sub-Fund's Net Asset Value.

There may be other risks that a prospective investor should consider that are relevant to its particular circumstances or generally. These Specific Risk Factors should be read in conjunction with the section 5 (General Risk Factors) of the Offering Document.

### *Overall Investment Risk*

All investments risk the loss of capital. The nature of the investments to be purchased and traded by the Sub-Fund and the investment techniques and strategies to be employed in an effort to increase profits may increase this risk. There can be no assurance that the Sub-Fund will not incur losses. Investors may lose all or substantially all of their investment in the Sub-Fund. Unforeseeable events, including, but not limited to, actions by various government agencies (such as the Bank of England, Federal Reserve Board or European Central Bank), world political events, and other market disruption events, may cause sharp market fluctuations or interrupt the Fund's activities or those of its service providers.

### **Risks relating to the structure of the Sub-Fund**

#### *Counterparty Risk and Credit Risk*

The Sub-Fund has counterparty risk in relation to transactions it enters into with brokers, banks and other third parties if the counterparty was to fail to complete any transaction to which the Sub-Fund is a party. The Sub-Fund will be subject to the risk of the inability of such entities to perform with respect to transactions, whether due to insolvency or other causes, and that the Sub-Fund will sustain a loss on a transaction as a result. The amount of exposure to any counterparty is subject at all times to the investment restrictions applicable to the Sub-Fund. Certain counterparties may hold the right to terminate transactions with the Sub-Fund in certain designated circumstances. These events may include, but are not limited to, a situation where the Net Asset Value of the Sub-Fund declines by certain percentages in a given timeframe or the Sub-Fund fails to make a payment or provide collateral on time. Any such action by a counterparty could cause a loss to the Sub-Fund. Copies of any such counterparty agreements are available for inspection upon request. The number of counterparties with which the Sub-Fund is permitted to enter into transactions with may be limited.

#### *Tax Liabilities*

In addition, the Sub-Fund may be required under the terms of any derivative transaction entered into with a swap counterparty to keep such swap counterparty and its hedge provider

indemnified in respect of any tax liability that may arise to them in connection with their activities in hedging their exposure under such transaction. To the extent that the Sub-Fund is required to make a payment under any such indemnity, the Net Asset Value of the Sub-Fund will be adversely impacted.

#### *Performance Fees*

Where Performance Fees are payable by the Sub-Fund, these will be charged for each Performance Fee relevant period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised by the Sub-Fund as positions may be closed out at a loss in a later period with a consequent reduction in the Net Asset Value per Share on a later Valuation Day. No equalisation or similar measures will be carried out in respect of the Performance Fee attributed to an individual Shareholder's holding of Shares. Therefore, the same Performance Fee will apply in respect of each Share and will not be dependent on when the holder of a Share acquired it within a Performance Fee relevant period or the actual gains obtained by such holder of a Share.

#### *Non-Public Information*

From time to time, the AIFM and its affiliates, and their directors, managers, members, shareholders, officers, agents and employees (collectively, "Manager Affiliates"), including without limitation, its investment professionals, come into possession of non-public information concerning specific companies. The Sub-Fund's investment flexibility may be constrained as a consequence of the AIFM's inability to use such information for investment purposes. Alternatively, the AIFM from time to time may decline to receive material non-public information from other Manager Affiliates or other parties which it is entitled to receive on behalf of the Sub-Fund or other clients, in order to avoid trading restrictions for the Sub-Fund as well as other accounts under its management, even though access to such information might have been advantageous to the Sub-Fund and other market participants are in possession of such information.

### **Risks relating to the investment techniques employed by the AIFM**

#### *Availability of Suitable Investment Opportunities*

The Sub-Fund competes with other potential investors to acquire interests in its targeted investments. Certain of the Sub-Fund's competitors may have greater financial and other resources and may have better access to suitable investment opportunities. There can be no assurance that the Sub-Fund will be able to locate and complete suitable investments that satisfy the Sub-Fund's objectives or that any borrowings required to take advantage of such opportunities will be available with acceptable counterparties on acceptable terms. Whether or not suitable investment opportunities are available to the Sub-Fund, the Sub-Fund will bear the Management Fees and other expenses described herein.

#### *Financial Leverage*

The AIFM may, subject at all times to the investment restrictions applicable to the Sub-Fund, use financial leverage in managing the Sub-Fund, including increasing investment capacity, covering operating expenses and making withdrawal payments or for clearance of transactions. Financial leverage includes, but is not limited to, buying securities on margin. Direct borrowings are limited to 10% of Net Asset Value of the Sub-Fund. The AIFM may employ strategies that include the use of financial leverage, such as the use of reverse repurchase agreements, swaps, options, futures contracts and other derivative securities, or other forms of leverage or credit. In an unsettled credit environment, the AIFM may find it

difficult or impossible to obtain leverage for the Sub-Fund; in such event, the Sub-Fund could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the AIFM being forced to unwind positions quickly and at prices below what it deems to be fair value for the positions.

#### *Currency Exchange Rate Risks and Currency Hedging*

A substantial portion of the Sub-Fund's investments to be made by the AIFM may be denominated in currencies other than EUR, which is the Reference Currency of the Sub-Fund. Although the AIFM will seek to maximize the Reference Currency return of the Sub-Fund, the value of non-Reference Currency assets may decline due to fluctuations in the exchange rates between EUR and non-EUR currencies. The risk to the Sub-Fund of a decline in value of the investments due to exchange rate fluctuations may not be hedged. Any hedging of currency exposure that is implemented by the Sub-Fund will primarily involve hedging back to EUR, but in certain circumstances may involve other hedging activities. While the Sub-Fund may seek to hedge its currency exposure, no assurance is given that such hedges will be implemented or be effective.

#### *Hedging Risks*

The AIFM may in its discretion employ various "hedging" techniques designed in an attempt to minimize the risk of loss in portfolio positions. To the extent that the AIFM does seek to employ such hedging techniques a substantial risk remains, nonetheless, that such techniques will not always be possible to implement and when possible will not always be effective in limiting losses.

#### *Risk Control Framework*

No risk control system is fail-safe, and no assurance can be given that any risk control framework designed or used by the AIFM will achieve its objective. To the extent that risk controls will be based upon historical trading patterns for the financial instruments in which the Fund trades and upon pricing models for the behaviour of such financial instruments in response to various changes in market conditions, no assurance can be given that such historical trading patterns will accurately predict future trading patterns or that such pricing models will necessarily accurately predict the manner in which such financial instruments are priced in financial markets in the future. There is no assurance that the risk control framework employed will be successful in minimizing losses to the Sub-Fund.

#### *Investment Strategies*

The success of the Sub-Fund's Investment Strategy depends upon the ability of the AIFM to interpret market data correctly and to predict market movements. Any factor which would make it more difficult to execute timely buy and sell orders, such as a significant lessening of liquidity in a particular market or investment would also be detrimental to profitability.

#### *Long/Short Strategies*

The use of certain "long/short" strategies in no respect should be taken to imply that the Sub-Fund's investments in such strategies will be without risk. Substantial losses may be recognized on "hedge" or "arbitrage" positions, and illiquidity and default on one side of a position can effectively result in the position being transformed into an outright speculation. Every long/short strategy involves exposure to some second-order risk of the market.

## *Derivatives and Related Instruments*

The Sub-Fund intends to invest in derivative financial instruments. The risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Sub-Fund's assets, include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset); (3) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (4) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Use of derivatives, including techniques such as short sales, involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged, (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio, and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in value of such position may be limited.

## **Risks relating to the potential investments of the Sub-Fund**

### *Bonds and Other Fixed-income Securities*

The Sub-Fund may invest in bonds and other fixed-income securities when they offer opportunities for capital appreciation or for temporary defensive or liquidity purposes. Fixed-income securities include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a government, or one of its agencies or instrumentalities, or a supranational organisation. Fixed-income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility resulting from, among other factors, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). Non-investment grade bonds or "junk bonds" may involve a substantial risk of default, or may be in default, at the time of acquisition. The market for lower grade debt securities may be thinner, less active and more volatile than that for investment grade debt securities.

### *Risks Associated with High Yield Securities*

The AIFM may make investments in "high yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies or in comparable non-rated securities. Securities in these lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be speculative with respect to the issuer's ability to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such



securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is less liquid than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities may contribute to a decrease in the value and liquidity of such lower-rated securities.

#### *Credit Default Swaps*

The Sub-Fund may take long and/or short positions in credit default swaps, including tranches thereof. Credit default swaps carry specific risks including high level of leverage, possibility that premiums paid for entering into credit default swaps expire worthless, wide bid/offer spread and documentation risk. In addition, there can be no assurance that the counterparty to credit default swap will be able to fulfil its obligation to the underlying portfolio if a credit event occurs in respect of a reference entity. Further, the counterparty to the credit default swap may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in or alternative meaning of language used in the contract, most notably the language specifying what would amount to a credit event. In addition, investments in credit default swap tranches may give rise to increased volatility and sensitivity in the event of perceived or actual credit deterioration in the market place.

#### *Currency Market Risks*

By trading in foreign exchange and investing in international securities and derivative instruments relating to such securities, the Sub-Fund will have exposure to fluctuations in currency exchange rates. Foreign exchange trading risks include, but are not limited to, exchange rate risk, maturity gaps, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment or particular transactions in foreign currency. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. The Sub-Fund may seek to offset the risks associated with such exposure or to increase returns through foreign exchange transactions. Such transactions involve a significant degree of risk and the markets in which foreign exchange transactions are affected are volatile, specialized and technical. The foreign exchange transactions can result in the Sub-Fund's returns being substantially better or worse than what returns would have been had the Sub-Fund not entered into the transactions. The AIFM may try to hedge these risks, but there can be no assurance that it will implement a hedging strategy, or if it implements one, that it will be effective.

#### *Derivative Instruments and Over-the-Counter Trading*

The Sub-Fund may use various derivative instruments which may be volatile and speculative, and which may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. The AIFM may engage in over-the-counter or "OTC" derivative transactions. OTC swap contracts are not traded on exchanges and are not subject to the same type of government regulation as exchange markets. As a result, many of the protections afforded to participants on organized exchanges and in a regulated environment are not available in connection with these transactions. The OTC derivative markets are bilateral "principals' markets" with price and other terms negotiated by the buyer and seller, and in which performance with respect to a derivative contract is the responsibility only of the counterparty to the contract, and not of any exchange or clearinghouse. As a result, the Sub-Fund is subject to the risk of the inability or refusal to perform with respect to derivative contracts on the part of the counterparties with which the AIFM trades. There are no limitations on daily price movements in derivative transactions. Speculative position limits are not applicable to various derivative transactions, although the Sub-Fund's derivative counterparties may limit the size or duration of positions available to the Sub-Fund as a consequence of credit considerations. Participants in the derivative markets are not required

to make continuous markets in the derivative contracts they trade. In the event that additional collateral is requested (a margin call), the Sub-Fund may not be able to liquidate assets at appropriate prices and in sufficient time to meet the margin call, and as such it may have to close out its position, the knock-on effect of which may lead to the Sub-Fund being terminated and investors suffering a loss. Participants could refuse to quote prices for derivative contracts or quote prices with an unusually wide spread between the price at which they are prepared to buy and the price at which they are prepared to sell. As a result, the ease with which the Sub-Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. If an event of default or an additional termination event were to occur with respect to the Sub-Fund under a master agreement governing the Sub-Fund's derivative transactions, the relevant counterparty and other counterparties may terminate all transactions with the Sub-Fund at significant losses to the Sub-Fund. In addition, trading in derivative instruments can result in synthetic borrowing as only a small portion of the value of the underlying asset of the derivative is required in order to enter into the derivative instrument. Thus, the borrowing offered by trading in derivative instruments may magnify the gains and losses experienced by the Sub-Fund and could cause the Sub-Fund's net asset value to be subject to wider fluctuations than would be the case if derivative instruments that provide leverage were not used.

### *Futures Trading*

The AIFM may engage in futures trading. A principal risk in trading futures is the traditional volatility and rapid fluctuation in the market prices. The profitability of such futures trading will depend primarily on the prediction of fluctuations in market prices. Price movements for futures are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; weather and climate conditions; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the psychology of the market place. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets to move rapidly. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the Sub-Fund to substantial losses. Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. There can be no assurance that an offsetting transaction will be available for any particular contract at any point in time.

### *Options*

The successful use of options depends on the ability of the AIFM to forecast market movements correctly. In addition, when it purchases an option, the Sub-Fund runs the risk that it may lose its entire investment in the option in a relatively short period of time, unless the Sub-Fund exercises the option or enters into a closing transaction with respect to the option during the life of the option. If the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, the Sub-Fund will lose part or all of its investment in the option. There is no assurance that the Sub-Fund will be able to avoid losses by effecting closing transactions at any particular time or at any acceptable price. In the event of the bankruptcy of a broker through which the Sub-Fund engages in transactions in options, the Sub-Fund could experience delays and/or losses in liquidating open positions purchased or sold through the broker.

## *Emerging Market Risks*

Certain emerging market countries in which the AIFM may invest have experienced high rates of inflation and currency fluctuations in recent years and have suffered generally from legal, regulatory, economic and political instability (including in relation to foreign ownership, movement of capital or profits and taxation). Political changes or a deterioration of a country's domestic economy or balance of trade or a change in such countries' exchange rates relative to other currencies may affect the willingness or ability of issuers located in such countries to make or provide for timely payments of interest or dividends on securities. There can be no assurance that adverse political and/or economic changes will not cause the Sub-Fund to suffer a loss in respect of its investments. In addition, emerging market countries may have less developed settlement procedures for securities and lower standards of disclosure for issuers of securities than issuers in more developed markets.

## **Risks relating to investments in global financial markets**

### *Interest Rate Fluctuations*

The prices of portfolio investments tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs to the Sub-Fund of borrowed securities and leveraged investments.

### *Political, Economic and Other Conditions*

The Sub-Fund's investments may be adversely affected by changes in economic conditions or political events that are beyond its control. For example, a stock market break, continued threats of terrorism, the outbreak of hostilities, or the death of a major political figure may have significant adverse effects on the Sub-Fund's investment results. Additionally, a serious pandemic, such as avian influenza, or a natural disaster, such as a hurricane, could severely disrupt the global, national and/or regional economies and/or markets.

### *Financial Fraud*

Instances of fraud and other deceptive practices committed by senior management of certain companies, sub-advisors or investment vehicles may undermine the AIFM's due diligence efforts with respect to such companies, and if such fraud is discovered, negatively affect the valuation of the Sub-Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility which can negatively impact the Sub-Fund's investment performance.

### *Inflation*

Some countries in which the Sub-Fund may invest have experienced substantial rates of inflation in recent years. Inflation and rapid fluctuations in inflation rates have had, and may in the future have, negative effects on the economies and securities markets of certain emerging economies. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Sub-Fund's investments in these countries or the Sub-Fund's returns from such investments.

## *Market Disruptions; Governmental Intervention*

The global financial markets have recently undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action — these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Sub-Fund's strategies. Laws and regulations can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Sub-Fund. The AIFM and the Fund may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures have been or may be adopted in certain jurisdictions, including: restrictions on short selling of certain securities in certain jurisdictions; restrictions on leverage or other activities of funds; increased disclosure requirements; requirements as regards appointment of service providers; and requirements as regards valuations. The AIFM believes that there is a high likelihood of significantly increased regulation of the financial markets, and that such increased regulation could be materially detrimental to the Sub-Fund. The Sub-Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which the AIFM bases a number of its trading positions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Sub-Fund from its dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Sub-Fund. Market disruptions may from time to time cause dramatic losses for the Sub-Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

### **8. Leverage**

The maximum expected level of leverage as specified by AIFM Laws and Regulations for the Sub-Fund is the following:

- Commitment method: 2000% of the Net Asset Value of the Sub-Fund;
- Gross method: 6000% of the Net Asset Value of the Sub-Fund.

### **9. Valuation**

Each last Business Day of the month is a Valuation Day. The Net Asset Value per Share will be determined as of each Valuation Day and calculated on the next Business Day. With respect to this Sub-Fund, a Valuation Day is any day which is defined as a Business Day in the Offering Document and on which the London, or Paris or Luxembourg stock exchange is open the whole day.

### **10. Subscriptions**

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 12:00 pm CET one (1) Business Day prior to the Subscription Day. Subscription applications

must be settled by the end of the Subscription Settlement Period, which is three (3) Business Days following the relevant Subscription Day.

## **11. Redemptions and Conversions**

The Shares will be redeemed at the Maturity Date. Payment of the redemption proceeds will be made within thirty (30) Business Days from the Maturity Date.

However, prior to the Maturity Date, Shares shall not be redeemable or convertible at the request of the shareholders.

## **12. Share Classes**

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the AIFM upon request.

## **13. Eligible Investors**

All Share Classes are reserved for Professional Investors.

## **14. Performance Fee**

The AIFM will be entitled to receive a Performance Fee, accrued on each Valuation Day, paid at the Maturity Date, based on the Net Asset Value, equivalent to a percentage, as disclosed in the table at the end of this Supplement, of the relative performance of the Net Asset Value per Share expressed in the Reference Currency, compared to its benchmark (the "Benchmark") during a certain period of time (the "Performance Period"), subject to a Relative High Water Mark. The AIFM may waive the Performance Fee at its discretion.

In the event of distribution made via redemption of Shares, the portion of the performance fee provision corresponding to redeemed Shares is payable to the AIFM under the crystallization principle. Therefore, for Shares redeemed, any Performance Fee accrued for the relevant Sub-Fund at the date of redemption will be payable to the AIFM, in proportion to the Shares redeemed.

Shareholders should be aware that under the Performance Fee formula disclosed hereinafter, a Performance Fee may be payable to the AIFM in respect of the Performance Period, even if there was a decrease of the Net Asset Value over the period.

The Relative High Water Mark principle means that if the Sub-Fund underperforms its Benchmark during a Performance Period, it has first to recoup this loss in the next Performance Period(s) before being entitled to a Performance Fee. In other words, the Sub-Fund must have generated a performance greater than the Benchmark since the latest of (i) the last payment of the Performance Fee, or (ii) the introduction of the Performance Fee, in case such fee has never been paid yet. The Performance Fee is paid in arrears at the end of the Performance Period. It shall be calculated and accrued in the Net Asset Value on a daily basis.

The Benchmark is a fund which has accurately tracked the High Water Mark over the reference period and registered the same subscription and redemption variations as the actual Compartment.

The Performance Period: from January 1<sup>st</sup>, 2020 until the Maturity Date.

The high water mark is defined as the greater of the following two figures:

- the last highest Net Asset Value per Share on which a Performance Fee has been paid; and
- the initial Net Asset Value per Share.

If the Net Asset Value per Share decreases during the Performance Period, the provisions made in respect of the Performance Fee will be reduced accordingly. Such reversals cannot exceed the amount of provisions previously accumulated.

**Table 1: Share Classes of Axiom Credit Opportunity**

Share Class	A	BA	B	C	E	EA	M	Z
ISIN	LU1916397232	LU1955056160	LU1916397315	LU1916397406	LU1916397588	LU2018785944	LU1916397661	LU1916397745
Share Class Reference Currency	EUR	USD	USD	EUR	GBP	GBP	CHF	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C	C	C	C	C
Initial Issue Price	100 EUR	100 EUR	100 USD	100 EUR	100 GBP	100 GBP	100 CHF	100 EUR
Minimum Subscription	50,000 EUR	50,000 USD	50,000 USD	50,000 EUR	50,000 GBP	50,000 GBP	50,000 CHF	50,000 EUR
Minimum Additional Subscription	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share
Minimum Holding	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share
Maximum Subscription Fee	2%	2%	2%	2%	2%	2%	2%	10%
Maximum Redemption Fee	2%	2%	2%	2%	2%	2%	2%	10%
Management Fee	Up to 0,80%	Up to 0,80%	Up to 1.50%	Up to 0,80%	Up to 1.50%	Up to 0,80%	Up to 1.50%	Up to 0.05%
Performance Fee Rate	15%	15%	20%	20%	20%	15%	20%	0%
Other Fees supported by the Sub-Fund	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%

## **SUPPLEMENT II: AXIOM LIQUID RATES**

### **1. Launch Date**

The Sub-Fund was launched on 29 October 2021.

### **2. Reference Currency**

The Reference Currency of the Sub-Fund is the Euro.

### **3. Investment Objective and Policy**

The investment objective of the Sub-Fund is to achieve positive risk-adjusted returns to investors through discretionary active investment in financial derivative instruments referencing interest rates and currencies.

To achieve its investment objective, the Sub-Fund will primarily invest in liquid short-term interest rates and foreign exchange derivatives.

Financial derivative instruments will be used to express the Investment Manager's view as to the likely direction that will be taken by foreign currency exchange rates and interest rates. Such derivative instruments may be entered into OTC or traded on recognised exchanges worldwide ("**Listed**").

The financial derivative instruments will operate under a cash margin regime. Consequently, the Sub-Fund will keep a portion of its net assets that will not be invested in financial derivative instruments to meet the Sub-Fund's collateral or margin payments.

The Sub-Fund will not invest more than 10% of its net assets in units or shares of UCITS or other UCIs to be eligible for investment by UCITS governed by the UCITS Directive.

Depending on his own assessment of market conditions, the Investment Manager will decide which instruments are the most appropriate for the cash portion of the Sub-Fund as long as they offer a very high level of liquidity combined with a very low level of risk. The cash portion of the Sub-Fund may sometimes be up to 100% maximum of the net assets.

Further information on the Sub-Fund's Investment Policy is contained in the main part of the Offering Document under section 4 (Investment strategy and restrictions).

The Sub-Fund will have no maturity date. However, the Board of Directors may decide to terminate the Sub-Fund in accordance with the rules set out in the Offering Document and the Articles of Association.

### **4. Investment Strategy and Type of Investments**

#### **Overview of Investment Strategy**

The Sub-Fund's investment strategy seeks to generate positive risk-adjusted returns in taking directional as well as relative value positions in the short-term rates and foreign exchange derivatives markets.

The Investment Manager will seek to identify and invest in asymmetrical risk/reward trades that can result, for example, from final clients hedging flows price distortions as well as from frequent markets inefficient pricing.



The Sub-Fund's positions will generally fall within the following categories:

- directional positions on interest rates;
- spread positions between two rates in two different currencies but with same maturity where a long position in one rate is offset by a short position in the other rate;
- spread positions between two different indices within the same currency (basis spread);
- yield curve position where a long position in one maturity is offset by a short position in a different maturity.

If the Sub-Fund is exposed to outright directional rates moves as described above it will seek to focus - when possible - on positions with a neutral exposure to first order of interest rate movements.

In order to reduce risk and volatility, the Investment Manager will seek to build a diversified portfolio in terms of currencies and type of trades (directional or spreads) and will generally avoid to enter into highly correlated positions and will limit, as much as possible, risk concentration.

In addition, the Sub-Fund will employ a dynamic and active approach where the Investment Manager will take advantage of the instruments' liquidity to frequently reduce or increase risks depending on the Investment Manager's assessment of market conditions.

The Sub-Fund will mechanically be exposed to foreign exchange moves via two main channels: rates exposure in other currencies than the reference one and foreign exchange swaps trading. The Sub-Fund will most of the time hedge those foreign exchange risks.

However, the Investment Manager may occasionally use foreign exchange spot or options instruments to express a view especially when it believes they offer a better risk/reward than the usual rates financial derivatives instruments. Those direct foreign exchange exposures will at all time represent a small fraction of the Sub-Fund overall risks.

A large portion of the instruments invested by the Sub-Fund will be cleared through third-party clearers known as a Central Counterparty Clearing House. The Sub-Fund aims to use the service of a broker ("Broker") to facilitate market access and execution. Depending on the value of the OTC financial derivative instruments, the Sub-Fund could be exposed at any time to the Broker default risk.

## **Types of Investments**

### **• Financial derivative instruments**

The financial derivative instruments the Sub-Fund may use are listed below. However, this list is not intended to be exhaustive.

#### *Exchange Listed Futures*

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

**Interest Rate Futures:** Interest rate futures may be used to express the Investment Manager's view that interest rates will move in a particular direction.

**Bond Futures:** Bond futures allow the Investment Manager to take positive or negative views on the direction of bond prices.

## *Forward Contracts*

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

*Forward Foreign Exchange Contracts:* A forward foreign exchange transaction is an obligation to purchase or sell a specified currency pair at a future date, at a price set at the time the contract is made. Currency forward settlement can be on a cash (non-deliverable) or a delivery basis provided it has been specified beforehand. Forward foreign exchange contracts may be used to hedge any currency exposure back to the base currency. They may also be used to change the currency composition of all or part of the Sub-Fund without necessarily hedging back to the base currency of the Sub-Fund.

*Forward Rate Agreement:* A forward rate agreement is an agreement between two parties to exchange interest on fixed and floating interest rates. Forward rate agreements are cash settled with the payment based on the net difference between the fixed and floating interest rates.

## *Swaps*

The Fund may invest in the following type of swaps:

*Interest Rate Swaps:* An interest rate swap involves the exchange by the Sub-Fund with another party of their respective commitments to pay or receive interest based on a fixed rate, another floating rate or security index, e.g., an exchange of fixed rate payments for floating rate payments. Both parties' payments may be linked to the same or different currencies. Interest Rate swaps could be used to express views on the direction of interest rates as well as views on the differential between two rates index.

*Foreign Exchange Swaps:* A foreign exchange swap is a transaction involving both an exchange of two different currencies on a specific date at a fixed rate that is agreed upon on the inception of the contract covering the exchange; and a reverse exchange of the same two currencies at a later date and at a fixed rate that is agreed upon on the inception of the contract covering the exchange.

## *Options*

The Fund may invest in the following types of options;

*Listed Options on Bond Futures:* Options on bond futures allow the Investment Manager to take positive or negative views on the direction of bond prices.

*Listed Options on Interest Rate Futures:* Options on interest rate futures may be used to express the Investment Manager views on the direction of interest rates or on interest rate volatility.

*OTC Options on Swaps (Swaptions):* a swaption is an option giving the purchaser the option of the right but not the obligation to enter into an interest rate or inflation rate swap agreement at a specified date (or series of dates) and rate. Swaptions may be used to express the Investment Manager's views on the movement of interest rates, realized and implied volatility of interest rates or to mitigate the Fund's exposure to interest rates. Swaptions may be cash settled and the premium may be settled on a future date. Swaptions may be exercised into a spot starting or a forward starting swap.

*OTC Interest rate cap floor:* an interest rate cap floor is a type of interest rate derivative in which the buyer receives payments at the end of each period in which the interest rate is

above/below the agreed strike price. Caps and floors may be used by the Investment Manager to express views on interest rates fluctuations, realized and implied volatility of interest rates or to mitigate the Fund's exposure to interest rates

- **Other instruments**

The other instruments in which the Sub-Fund may be invested include debt securities issued or guaranteed by national governments from one of the G10 jurisdictions, their agencies, instrumentalities and political sub-divisions (including inflation protected securities, which are securities that are indexed to inflation *i.e.* amount invested in them increases with increase in inflation and decreases with the decrease in inflation); debt securities of supranational organizations such as freely transferable promissory notes, bonds and debentures; corporate debt securities, including freely transferable promissory notes, debentures, bonds; convertible bonds (which may embed an option and therefore leverage); securitized participations in loans that are transferable securities; Eurodollar bonds and Yankee dollar instruments (including senior and subordinated notes); repurchase agreements; money market funds, money market instruments and equities.

However, this list is not intended to be exhaustive and the Sub-Fund may use other instruments if they have very high level of liquidity combined with a very low level of risk.

## **5. Investment Manager**

Pursuant to an agreement entered into between the AIFM and AXM Alternative Investments LTD (the "Investment Management Agreement"), AXM Alternative Investments LTD has been appointed as Investment Manager by the AIFM to be in charge of the day-to-day asset management of this Sub-Fund as delegated investment manager as from 1<sup>st</sup> January 2023.

AXM Alternative Investments LTD is a private limited company incorporated under the laws of England and Wales, authorized and regulated in the United Kingdom by the UK Financial Conduct Authority under number 942585, having its registered office at 11 Albemarle Street London W1S 4HH.

The fees of AXM Alternative Investments LTD shall be borne by the AIFM.

## **6. Investor profile**

The Sub-Fund is intended only for knowledgeable and experienced investors who are able to understand and evaluate both the investment strategy and its inherent risks (such understanding, and evaluation may be gained through advice from a professional advisor). The AIFM will ensure that distributors have in place adequate procedures to categorize investors under the MiFID client classification rules or local jurisdiction equivalent rules, to determine the suitability of the Sub-Fund as an investment for any prospective investor and to inform such prospective investor about any risks associated with an investment in the Sub-Fund. In addition, investors must be able and willing to invest in a sub-fund with a high-risk grading as further described in the main part of the Offering Document under section 5 (General Risk Factors).

## **7. Specific risks**

Investors should carefully read section 4 (Investment strategy and restrictions) and section 5 (General Risk Factors) of the Offering Document before investing in the Sub-Fund. Investors should in particular consider the risks hereunder which are specific to the Sub-Fund.

Investors should note that the Sub-Fund is not guaranteed or capital protected. Investors in this Sub-Fund should be prepared and able to sustain losses of the capital invested, up to a total loss. There can be no assurance that the investment objective of the Sub-Fund will be achieved, and results may vary substantially over time. An investment in the Sub-Fund involves a high degree of risk, including the risk that the entire amount invested may be lost.

### ***Overall Investment Risk***

All investments risk the loss of capital. The nature of the investments to be purchased and traded by the Sub-Fund and the investment techniques and strategies to be employed in an effort to increase profits may increase this risk. There can be no assurance that the Sub-Fund will not incur losses. Investors may lose all or substantially all of their investment in the Sub-Fund. Unforeseeable events, including, but not limited to, actions by various government agencies (such as the Bank of England, Federal Reserve Board or European Central Bank), world political events, and other market disruption events, may cause sharp market fluctuations or interrupt the Fund's activities or those of its service providers.

### **Risks relating to the structure of the Sub-Fund**

#### ***Counterparty Risk***

The Sub-Fund has counterparty risk in relation to transactions it enters into with brokers and other third parties if the counterparty was to fail to complete any transaction to which the Sub-Fund is a party. The Sub-Fund will be subject to the risk of the inability of such entities to perform with respect to transactions, whether due to insolvency or other causes, and that the Sub-Fund will sustain a loss on a transaction as a result. The amount of exposure to any counterparty is subject at all times to the investment restrictions applicable to the Sub-Fund. Certain counterparties may hold the right to terminate transactions with the Sub-Fund in certain designated circumstances. These events may include, but are not limited to, a situation where the Net Asset Value of the Sub-Fund declines by certain percentages in a given timeframe or the Sub-Fund fails to make a payment or provide collateral on time. Any such action by a counterparty could cause a loss to the Sub-Fund. Copies of any such counterparty agreements are available for inspection upon request. The number of counterparties with which the Sub-Fund is permitted to enter into transactions with may be limited.

#### ***Tax Liabilities***

In addition, the Sub-Fund may be required under the terms of any derivative transaction entered into with a swap counterparty to keep such swap counterparty and its hedge provider indemnified in respect of any tax liability that may arise to them in connection with their activities in hedging their exposure under such transaction. To the extent that the Sub-Fund is required to make a payment under any such indemnity, the Net Asset Value of the Sub-Fund will be adversely impacted.

#### ***Performance Fees***

Where Performance Fees are payable by the Sub-Fund, these will be charged for each Performance Fee relevant period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised by the Sub-Fund as positions may be closed out at a loss in a later period with a consequent reduction in the Net Asset Value per Share on a later Valuation Day. No equalisation or similar measures will be carried out in respect of the Performance Fee attributed to an individual Shareholder's holding of Shares. Therefore, the same Performance Fee will apply in respect of each Share and will not be dependent on when

the holder of a Share acquired it within a Performance Fee relevant period or the actual gains obtained by such holder of a Share.

#### *Non-Public Information*

From time to time, the Investment Manager and its affiliates, and their directors, managers, members, shareholders, officers, agents and employees (collectively, "Manager Affiliates"), including without limitation, its investment professionals, come into possession of non-public information concerning specific companies. The Sub-Fund's investment flexibility may be constrained as a consequence of the Investment Manager's inability to use such information for investment purposes. Alternatively, the Investment Manager from time to time may decline to receive material non-public information from other Manager Affiliates or other parties which it is entitled to receive on behalf of the Sub-Fund or other clients, in order to avoid trading restrictions for the Sub-Fund as well as other accounts under its management, even though access to such information might have been advantageous to the Sub-Fund and other market participants are in possession of such information.

#### *Possible Adverse Effects of Substantial Redemptions*

In the event that there are substantial redemptions of Shares within a limited period of time, the AIFM or the Investment Manager may find it difficult to adjust its asset allocation and trading strategies to the suddenly reduced amount of assets under management. Under such circumstances, in order to provide funds to pay for redemptions, the AIFM or the Investment Manager may be required to liquidate positions of the Sub-Fund at an inappropriate time or on unfavorable terms, resulting in lower net assets for the remaining shareholders and a lower redemption price for the redeeming shareholders.

### **Risks relating to the investment techniques employed by the Investment Manager**

#### *Availability of Suitable Investment Opportunities*

The Sub-Fund competes with other potential investors to acquire interests in its targeted investments. Certain of the Sub-Fund's competitors may have greater financial and other resources and may have better access to suitable investment opportunities. There can be no assurance that the Sub-Fund will be able to locate and complete suitable investments that satisfy the Sub-Fund's objectives or that any borrowings required to take advantage of such opportunities will be available with acceptable counterparties on acceptable terms. Whether or not suitable investment opportunities are available to the Sub-Fund, the Sub-Fund will bear the Management Fees and other expenses described herein.

#### *Financial Leverage*

The Investment Manager may, subject at all times to the investment restrictions applicable to the Sub-Fund, use financial leverage in managing the Sub-Fund, including increasing investment capacity, covering operating expenses and making withdrawal payments or for clearance of transactions. Financial leverage includes, but is not limited to, buying securities on margin. The Investment Manager may employ strategies that include the use of financial leverage, such as the use of swaps, options, futures contracts and other derivative securities, or other forms of leverage or credit. In an unsettled credit environment, the Investment Manager may find it difficult or impossible to obtain leverage for the Sub-Fund; in such event, the Sub-Fund could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Investment Manager being forced to unwind positions quickly and at prices below what it deems to be fair value for the positions.

### *Hedging Risks*

The Investment Manager may in its discretion employ various "hedging" techniques designed in an attempt to minimize the risk of loss in portfolio positions. To the extent that the Investment Manager does seek to employ such hedging techniques a substantial risk remains, nonetheless, that such techniques will not always be possible to implement and when possible will not always be effective in limiting losses.

### *Risk Control Framework*

No risk control system is fail-safe, and no assurance can be given that any risk control framework designed or used by the Investment Manager will achieve its objective. To the extent that risk controls will be based upon historical trading patterns for the financial instruments in which the Fund trades and upon pricing models for the behavior of such financial instruments in response to various changes in market conditions, no assurance can be given that such historical trading patterns will accurately predict future trading patterns or that such pricing models will necessarily accurately predict the manner in which such financial instruments are priced in financial markets in the future. There is no assurance that the risk control framework employed will be successful in minimizing losses to the Sub-Fund.

### *Investment Strategies*

The success of the Sub-Fund's Investment Strategy depends upon the ability of the Investment Manager to interpret market data correctly and to predict market movements. Any factor which would make it more difficult to execute timely buy and sell orders, such as a significant lessening of liquidity in a particular market or investment would also be detrimental to profitability.

### *Derivatives and Related Instruments*

The Sub-Fund intends to invest in derivative financial instruments. The risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Sub-Fund's assets, include: (1) market risk (adverse movements in the price of a financial asset); (2) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could pre-empt otherwise enforceable contract rights); (3) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (4) documentation risk (exposure to losses resulting from inadequate documentation); (5) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (6) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (7) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (8) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Use of derivatives, including techniques such as short sales, involves certain additional risks, including (i) dependence on the ability to predict movements in the price of the securities hedged, (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the underlying portfolio, and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because of the percentage of a portfolio's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in value of such position may be limited.

## **Risks relating to the potential investments of the Sub-Fund**

### *Bonds and Other Fixed-income Securities*

The Sub-Fund may invest in bonds and other fixed-income securities when they offer opportunities for liquidity purposes. Fixed-income securities include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a government, or one of its agencies or instrumentalities, or a supranational organisation. Fixed-income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility resulting from, among other factors, interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

### *Derivative Instruments and Over-the-Counter Trading*

The Investment Manager may engage in over-the-counter or "OTC" derivative transactions. OTC swap contracts are not traded on exchanges and are not subject to the same type of government regulation as exchange markets. As a result, many of the protections afforded to participants on organized exchanges and in a regulated environment are not available in connection with these transactions. The OTC derivative markets are bilateral "principals' markets" with price and other terms negotiated by the buyer and seller, and in which performance with respect to a derivative contract is the responsibility only of the counterparty to the contract, and not of any exchange or clearinghouse. As a result, the Sub-Fund is subject to the risk of the inability or refusal to perform with respect to derivative contracts on the part of the counterparties with which the Investment Manager trades. There are no limitations on daily price movements in derivative transactions. Speculative position limits are not applicable to various derivative transactions, although the Sub-Fund's derivative counterparties may limit the size or duration of positions available to the Sub-Fund as a consequence of credit considerations. Participants in the derivative markets are not required to make continuous markets in the derivative contracts they trade. In the event that additional collateral is requested (a margin call), the Sub-Fund may not be able to liquidate assets at appropriate prices and in sufficient time to meet the margin call, and as such it may have to close out its position, the knock-on effect of which may lead to the Sub-Fund being terminated and investors suffering a loss. Participants could refuse to quote prices for derivative contracts or quote prices with an unusually wide spread between the price at which they are prepared to buy and the price at which they are prepared to sell. As a result, the ease with which the Sub-Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. If an event of default or an additional termination event were to occur with respect to the Sub-Fund under a master agreement governing the Sub-Fund's derivative transactions, the relevant counterparty and other counterparties may terminate all transactions with the Sub-Fund at significant losses to the Sub-Fund. In addition, trading in derivative instruments can result in synthetic borrowing as only a small portion of the value of the underlying asset of the derivative is required in order to enter into the derivative instrument. Thus, the borrowing offered by trading in derivative instruments may magnify the gains and losses experienced by the Sub-Fund and could cause the Sub-Fund's net asset value to be subject to wider fluctuations than would be the case if derivative instruments that provide leverage were not used.

### *Futures Trading*

The Investment Manager may engage in futures trading. A principal risk in trading futures is the traditional volatility and rapid fluctuation in the market prices. The profitability of such futures trading will depend primarily on the prediction of fluctuations in market prices. Price movements for futures are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; weather and climate conditions;

changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the psychology of the market place. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets to move rapidly. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the Sub-Fund to substantial losses. Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. There can be no assurance that an offsetting transaction will be available for any particular contract at any point in time.

### *Options*

The successful use of options depends on the ability of the Investment Manager to forecast market movements correctly. In addition, when it purchases an option, the Sub-Fund runs the risk that it may lose its entire investment in the option in a relatively short period of time, unless the Sub-Fund exercises the option or enters into a closing transaction with respect to the option during the life of the option. If the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, the Sub-Fund will lose part or all of its investment in the option. There is no assurance that the Sub-Fund will be able to avoid losses by effecting closing transactions at any particular time or at any acceptable price. In the event of the bankruptcy of a broker through which the Sub-Fund engages in transactions in options, the Sub-Fund could experience delays and/or losses in liquidating open positions purchased or sold through the broker.

## **Risks relating to investments in global financial markets**

### *Political, Economic and Other Conditions*

The Sub-Fund's investments may be adversely affected by changes in economic conditions or political events that are beyond its control. For example, a stock market break, continued threats of terrorism, the outbreak of hostilities, or the death of a major political figure may have significant adverse effects on the Sub-Fund's investment results. Additionally, a serious pandemic, such as avian influenza, Covid-19, or a natural disaster, such as a hurricane, could severely disrupt the global, national and/or regional economies and/or markets.

### *Market Disruptions; Governmental Intervention*

The global financial markets have recently undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action — these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Sub-Fund's strategies. Laws and regulations can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the



interests of the Sub-Fund. The Investment Manager and the Fund may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures have been or may be adopted in certain jurisdictions, including: restrictions on short selling of certain securities in certain jurisdictions; restrictions on leverage or other activities of funds; increased disclosure requirements; requirements as regards appointment of service providers; and requirements as regards valuations. The Investment Manager believes that there is a high likelihood of significantly increased regulation of the financial markets, and that such increased regulation could be materially detrimental to the Sub-Fund. The Sub-Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which the Investment Manager bases a number of its trading positions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Sub-Fund from its dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Sub-Fund. Market disruptions may from time to time cause dramatic losses for the Sub-Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

## **8. Leverage**

The maximum expected level of leverage as specified by AIFM Laws and Regulations for the Sub-Fund is the following:

- Commitment method: 250 times the Net Asset Value of the Sub-Fund.
- Gross method: 500 times the Net Asset Value of the Sub-Fund.

## **9. Valuation**

Each last Business Day of the month is a Valuation Day. The Net Asset Value per Share will be determined as of each Valuation Day and calculated on the next Business Day. With respect to this Sub-Fund, a Valuation Day is any day which is defined as a Business Day in the Offering Document and on which the London, or Paris or Luxembourg stock exchange is open the whole day.

## **10. Subscriptions**

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 12:00 pm CET one (1) Business Day prior to the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is three (3) Business Days following the relevant Subscription Day.

## **11. Redemptions**

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 6:00 pm CET thirty (30) calendar days prior to the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is three (3) Business Days following the relevant Redemption Day.

Subject to the occurrence of a temporary suspension of the Net Asset Value calculation (as described in the Offering Document), applications to redeem Shares of the Sub-Fund received in respect of any single Redemption Day will be accepted up to 100% of the Net Asset Value of the Sub-Fund. The Board of Directors will not exercise the discretion (described in the core

part of the Offering Document under "Deferral of redemption or conversion of Shares") to scale down applications to redeem 10% or more of the Net Asset Value of the Sub-Fund so that all the Shares for which redemption orders have been validly submitted will be redeemed at the prevailing Net Asset Value.

## **12. Share Classes**

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the AIFM upon request.

## **13. Eligible Investors**

All Share Classes are reserved for Well-Informed Investors, as defined in the main part of the Offering Document.

## **14. Performance Fee**

The AIFM will be entitled to receive a Performance Fee, accrued on each Valuation Day, paid yearly, based on the Net Asset Value of a Share Class, equivalent to a percentage, as disclosed in the table at the end of this Supplement, of the relative performance of its Net Asset Value per Share expressed in the Reference Currency, compared to its benchmark (the "**Benchmark**") during a certain period of time (the "**Performance Period**"), subject to a relative high water mark (as defined below). The AIFM may waive the Performance Fee at its discretion.

In the event of redemptions or liquidation, the portion of the performance fee provision corresponding to redeemed or liquidated Shares of the Share Class is payable to the AIFM under the crystallization principle. Therefore, for Shares redeemed or liquidated, any Performance Fee accrued for the relevant Share Class at the date of redemption or liquidation will be payable to the AIFM, in proportion to the Shares of the Share Class redeemed or liquidated.

Shareholders should be aware that under the Performance Fee formula disclosed hereinafter, a Performance Fee may be payable on yearly basis to the AIFM in respect of a given Performance Period, even if there was a decrease of the Net Asset Value of the Share Class over the relevant period.

The relative high water mark principle means that if the Sub-Fund underperforms its Benchmark during a Performance Period, it has first to recoup this loss in the next Performance Period(s) before being entitled to a Performance Fee. In other words, the Sub-Fund must have generated a performance greater than the Benchmark since the latest of (i) the last payment of the Performance Fee, or (ii) the introduction of the Performance Fee, in case such fee has never been paid yet. The Performance Fee is paid in arrears at the end of the Performance Period. It shall be calculated and accrued in the Net Asset Value on a daily basis.

The Benchmark is a fund which has accurately tracked the high water mark over the reference period and registered the same subscription and redemption variations as the Sub-Fund.

The Performance Period: the financial year of the Fund.

The high water mark is defined as the greater of the following two figures:

- the last highest Net Asset Value per Share on which a performance fee has been paid; and
- the initial Net Asset Value per Share.

If the Net Asset Value per Share decreases during the Performance Period, the provisions made in respect of the Performance Fee will be reduced accordingly. Such reversals cannot exceed the amount of provisions previously accumulated.

**Table 1: Share Classes of Axiom Liquid Rates**

Share Class	A	EA	AB	C	E	M	B	Z	ZC USD
ISIN	LU2362620499	LU2362620572	LU2362620655	LU2362620739	LU2362620812	LU2362620903	LU2362621034	LU2362621117	LU2873306695
Share Class Reference Currency	EUR	GBP	USD	EUR	GBP	CHF	USD	EUR	USD
Distribution (D) or Capitalisation (C)	C	C	C	C	C	C	C	C	C
Initial Issue Price	1,000 EUR	1,000 GBP	1,000 USD	1,000 EUR	1,000 GBP	1,000 CHF	1,000 USD	1,000 EUR	1,000 USD
Minimum Subscription	50,000 EUR	50,000 GBP	50,000 USD	50,000 EUR	50,000 GBP	50,000 CHF	50,000 USD	50,000 EUR	50,000 USD
Minimum Additional Subscription	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share
Minimum Holding	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share	1 Share
Maximum Subscription Fee	2%	2%	2%	2%	2%	2%	2%	10%	10%
Maximum Redemption Fee	2%	2%	2%	2%	2%	2%	2%	10%	10%
Management Fee	Up to 1%	Up to 1%	Up to 1%	Up to 1.5%	Up to 1.5%	Up to 1.5%	Up to 1.5%	Up to 0.05%	Up to 0.05%
Performance Fee Rate	15%	15%	15%	20%	20%	20%	20%	0%	0%
Other Fees supported by the Sub-Fund	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%	Up to 0.15%