



**INSINGER DE BEAUFORT**  
BNP PARIBAS GROUP

# **MULTIPLE MANAGERS SICAV**

A Luxembourg Undertaking for Collective Investments  
(**Société d'Investissement à capital variable**)

## **Prospectus**

European Bond

**December 31, 2011**

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Distribution of this Prospectus is not authorised unless it is accompanied by the most recent annual report and any subsequent semi-annual report of the Company when issued.  
These reports form an integral part of this Prospectus.

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## NOTICE

MULTIPLE MANAGERS SICAV (the "Company") is an open-ended investment company registered pursuant to Part I of the Luxembourg law of 17 December 2010 on Undertakings for Collective Investment (the "law of 2010"). It should be noted that such registration does not imply approval by any Luxembourg authority of the contents of this Prospectus or the portfolios of securities held by the Company.

The Shares of the Company are offered on the basis of the information and representations contained in this Prospectus. Any information or representation given or made by any selling agent or other person not contained herein, nor in the documents referred to herein should be regarded as unauthorised and should accordingly not be relied upon.

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

To reflect changes, this document may be updated from time to time. Prospective investors are recommended to enquire at the offices of the Company as to whether the Company has published a subsequent Prospectus.

The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person into whose possession this Prospectus comes and of any person wishing to apply for Shares in the Company to inform themselves about and to observe all applicable laws and regulations relating to the relevant jurisdictions.

**In particular, the Company has not been registered under the U.S. Investment Company Act of 1940. In addition, the Shares of each Sub-Fund have not been registered under the U.S. Securities Act of 1933, as amended, and may not and will not be offered for sale or sold in the United States of America, its territories or possessions, to a citizen or residents of The United States of America, a partnership organised or existing under the laws of any state, territory or possession of the United States of America or a corporation organised under the laws of the United States of America or of any state, territory or possession thereof or any estate or trust other than estate or trust the income of which from sources without the United States of America is not includible in gross income for purposes of computing United States income tax payable by it.**

A subscription of a subscriber residing in a country which does not adhere to the Financial Action Task Force (FATF) regulation will be taken into consideration only if the application is accompanied by the identification documents of the subscriber, duly certified by the local authorities of his country of residence. The list of the countries, which comply with the FATF regulation, is available upon request at the registered office address of the Company or can be consulted on the Internet under "<http://www.oecd.org/fatf>".

Prospective investors who may have any doubt in regard to the contents of this Prospectus or, (when available), the annual or semi-annual reports of the Company, should inform themselves and should take appropriate advice as to the potential tax consequences, legal requirements, foreign exchange restrictions or exchange control requirements which might be encountered under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares.

It should be noted that the value of the Shares and the income thereon can fall as well as rise and that accordingly, the amount realised by a shareholder on the redemption of Shares may be less than the original investment made. Past performance of the Company may not be construed as a guarantee of future (successful) results.

This Prospectus is dated and will come into force on December 31, 2011.



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## DEFINITIONS

The following definitions apply throughout the Prospectus:

Business Day	a bank business day in Luxembourg
Class	one or more classes of Shares within a Sub-Fund, whose assets shall be commonly invested according to the investment objective and policy of that Sub-Fund, but where a specific subscription and/or redemption charge structure, fee structure, distribution policy, hedging policy or Reference Currency shall be applied
Company	MULTIPLE MANAGERS SICAV (Société d'Investissement à Capital Variable)
Director	a member of the Board of Directors of the Company
EU	the European Union
EUR	the currency of the European Monetary Union (EMU) (= base currency of the Company)
FATF	the Financial Action Task Force on Money Laundering
Financial Year	starts on the first day of January each year and ends on the last day of December of the same year
GBP	the currency of the United Kingdom
Net Asset Value (also NAV) per Share	the Net Asset Value per Share of a given Sub-Fund or Class is computed by subtracting from the total value of its assets an amount equal to all its liabilities, divided by the total number of Shares of the relevant Sub-Fund or Class outstanding on a given Valuation Day
OECD	the Organisation for Economic Co-operation and Development
Redemption Price	the Net Asset Value per Share of the relevant Sub-Fund on a given Valuation Day, minus the applicable redemption fee as described in the relevant Appendix
Reference Currency	the currency in which the Net Asset Value of a given Sub-Fund or Class is expressed
Share	a share of any Sub-Fund in the capital of the Company
Sub-Fund	an individual sub-fund of the Company linked to a portfolio of assets invested in accordance with a specific investment policy
Subscription Price	the Net Asset Value per Share of the relevant Sub-Fund on a given Valuation Day, plus the applicable subscription fee as described in the relevant Appendix
UCI	an Undertaking for Collective Investment
UCITS	an Undertaking for Collective Investment in Transferable Securities according to the Directive 2009/65/EC, as amended
USD	the currency of the United States of America
Valuation Day	every day on which the Net Asset Value of the Shares of the Company is calculated, as defined for each Sub-Fund in the relevant Appendix to this Prospectus



# PROSPECTUS

## 1. PRINCIPAL FEATURES OF MULTIPLE MANAGERS SICAV

The information set out under this chapter is a summary of the principal features of the Company and should be read in conjunction with the entire text of this Prospectus.

### 1.1. Structure

Multiple Managers SICAV is an investment company incorporated in Luxembourg as a "Société Anonyme" on the basis of the law of 10 August 1915 on Commercial Companies ("the law of 1915") and qualifies as a "Société d'Investissement à Capital Variable" ("SICAV") on the basis of Part I of the law of 17 December 2010 on Undertakings for Collective Investment ("the law of 2010").

The Company is structured to provide to investors a variety of different portfolios ("Sub-Funds") of transferable securities and other permitted assets in various Reference Currencies. This "umbrella" structure enables investors to select from a range of Sub-Funds, the Sub-Fund(s) which best suit their individual requirements and thus make their own strategic allocation by combining holdings in various Sub-Funds of their own choosing. Each such Sub-Fund shall be designated by the name of the Company, followed by a generic name.

Further, the Shares of each Sub-Fund may, as the Board of Directors shall so determine from time to time, be issued in one or more classes of Shares (each such class being referred to herein as a "Class"), whose assets will be commonly invested pursuant to the investment policy and objective of that Sub-Fund, but where a specific subscription and/or redemption charge structure, fee structure, distribution policy, hedging policy, Reference Currency or other specificity is applied to each such Class.

The specific characteristics and investment objectives of each-Sub-Fund are defined in the relevant Appendix to this Prospectus. Each such Appendix forms an integral part of the Prospectus.

At present, the following Sub-Fund is offered to investors:

- Multiple Managers SICAV – European Bond (hereinafter referred to as "European Bond")

The Board of Directors may at any one time create additional Sub-Funds and/or Classes. In such event, this Prospectus shall be amended accordingly.

### 1.2. Investment objective

The objective of the Company is to provide investors with a choice of Sub-Funds investing in a wide range of transferable securities and other permitted assets on a world-wide basis and featuring a diverse array of investment objectives, including capital growth and income, whilst retaining the administrative advantages of one single corporate entity. The investment objective and policy of each Sub-Fund is set out in the Appendices of this Prospectus.

### 1.3. The Shares

The Subscription and Redemption Prices of the Shares of each Sub-Fund are calculated with reference to the Net Asset Value per Share as described in chapter 11 "Net Asset Value".

The Net Asset Value per Share of each Sub-Fund and/or Class is expressed in the Reference Currency of that Sub-Fund or Class.

In principle, it will be possible for Shareholders to switch from one Sub-Fund and/or Class to another Sub-Fund and/or Class by converting their Shares. The rate at which all or part of the Shares of a Sub-Fund are parts of the Shares of a Sub-Fund are converted into Shares of another Sub-Fund is determined by the formula as described in chapter 10 "Conversion of Shares".

For each Sub-Fund, the relevant Appendix to this Prospectus may contain additional information, restrictions or other conditions regarding the subscription, redemption and conversion of Shares.



The Subscription and Redemption Prices are available at the registered office of the Company. In addition, the Company intends to supply the most recent Net Asset Value per Share of its Sub-Fund(s) to companies such as Micropal, Telekurs, Bloomberg and Reuters, or such other intermediaries of financial data as the Directors may determine. The Directors may also resolve to publish the Net Asset Value(s) per Share in such business newspaper or newspapers as it may choose from time to time. Shareholders can inform themselves at the registered office of the Company as to the media through which such Net Asset Value(s) per Share is disseminated.

### Single legal entity

Although the Company is a single legal entity, for purposes of the relations between shareholders, each Sub-Fund constitutes a separate body of assets and liabilities.

### 1.5. Stock Exchange Listing

Shares of all the Sub-Funds, as and when issued, shall be listed on the Luxembourg Stock Exchange.

## 2. DIRECTORY, ADMINISTRATION AND MANAGEMENT

### 2.1. Board of Directors

CHAIRMAN:	Peter George. SIERADZK Director, Insinger de Beaufort Holding S.A., Luxembourg Director, Bank Insinger de Beaufort N.V., Amsterdam
DIRECTORS:	Jacobus Johannes HUMAN Director, Insinger de Beaufort Asset Management N.V., Amsterdam
	Steve GEORGALA Director, Maitland & Co., Paris
	Marcel ERNZER Independent Director, Luxembourg

### 2.2. Administration and Management

REGISTERED OFFICE	69, route d'Esch L - 1470 Luxembourg R.S.C. Luxembourg B-53 934
CONDUCTING MANAGERS	Peter YEO Director, Insinger de Beaufort Asset Management N.V., Amsterdam
	Rob MOOIJ Director, Bank Insinger de Beaufort N.V., Amsterdam Director, Insinger de Beaufort Holding S.A., Luxembourg
INVESTMENT MANAGER	INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. Herengracht 537 NL - 1017 BV Amsterdam
CUSTODIAN, CENTRAL ADMINISTRATIVE AGENT AND REGISTRAR AGENT	RBC Dexia Investor Services Bank S.A. 14, Porte de France L - 4360 Esch-sur-Alzette
AUDITORS	ERNST & YOUNG 7, Parc d'Activité Syrdall L - 5365 Munsbach



### 3. GENERAL INFORMATION

#### 3.1. History of the Company

MULTIPLE MANAGERS SICAV is an open-ended self-managed investment company with variable capital incorporated as a Société Anonyme under the law of 1915 and qualifies as a self-managed "Société d'Investissement à Capital Variable" (SICAV) under Part I of the law of 2010.

The Company was incorporated in Luxembourg under the name of INSINGER GLOBAL ASSET SELECTION SICAV on 23 February 1996 for an unlimited period, with an initial capital of USD 45.000,-. The Articles of Incorporation of the Company were lastly amended on 8 January 2007, and will be published in the *Mémorial, Recueil des Sociétés et Associations*, of Luxembourg on 28 February 2007. The Company is registered with the "Registre de Commerce et des Sociétés", Luxembourg under number B-53 934.

The capital of the Company is represented by Shares of no par value and shall at any time be equal to the total net assets of the Company. The minimum capital of the Company shall at any time be EUR 1.250.000,-.

The Articles of Incorporation of the Company are on file with the "Registre de Commerce et des Sociétés" of Luxembourg, where they may be consulted and where copies may be obtained upon payment of the Registrar's costs.

#### 3.2. Board of Directors

The Board of Directors is responsible, while observing the principle of diversification, for laying down the investment policy of the Sub-Funds and for monitoring the business activity of the Company. It may carry out all acts of management and administration on behalf of the Company; in particular purchase, sell, subscribe or exchange any securities and exercise all rights directly or indirectly attached to the Company's portfolio of assets.

In the definition of the investment policy of each Sub-Fund, the Board of Directors may be assisted by one or several professional investment advisers. In addition, and subject to approval of the Supervisory Authority, the Board of Directors may delegate its functions, privileges and duties to any person, firm or corporation whom it may consider appropriate, provided that the Board of Directors shall always remain liable and responsible for any loss or omission on the part of such person, firm or corporation as if such act or omission was its own. The supervision and ultimate responsibility of such person, firm or corporation shall lie with the Board of Directors of the Company.

The list of the members of the Board of Directors as well as of the other administrating bodies of the Company can be found under "DIRECTORY, ADMINISTRATION AND MANAGEMENT" above and in the periodic reports as published by the Company.

In compliance with the provisions of CSSF Circulars 03/108 and 05/185, the Board of Directors has granted a mandate as from 18 January 2007, in order to conduct the daily business of the Company, to the two conducting managers named in "Management and Administration" above.

No contract or other transaction between the Company and any other company or firm shall be affected or invalidated by the fact that any one or more of the Directors or officers of the Company is interested in, or is a director, associate, officer or employee of such other company or firm.

Any Director or officer of the Company who serves as a director, associate, officer or employee of any company or firm with which the Company shall contract or otherwise engage in business shall not, by reason of such affiliation with such other company or firm, be prevented from considering and voting or acting upon any matters with respect to such contract or other business.

In the event that any Director or officer of the Company may have any personal interest in any transaction of the Company; such Director or officer shall make known to the Board of Directors such personal interest and shall not consider or vote on any such transaction, and such transaction, and such Director's or officer's interest therein, shall be reported to the next succeeding meeting of shareholders. The term "personal interest", as used in the preceding sentence shall not include any relationship with or interest in any matter, position or transaction involving Bank Insinger de Beaufort NV and its subsidiaries and associated companies, provided however that all transactions are at any time made in the best interest of the Company and its shareholders and are negotiated at normal market conditions.



### 3.3. Investment Manager

Pursuant to an agreement dated 4 November 2003, INSINGER DE BEAUFORT ASSET MANAGEMENT N.V., Amsterdam has been appointed as manager of the Company's assets (the "investment Manager").

INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. is a limited liability company ("Naamloze Vennootschap") with its registered office at Herengracht 537, 1017 BV Amsterdam, The Netherlands. It was incorporated in Amsterdam on 27 December 1973 with an initial paid-up capital of EUR 70.000,-. As of 31 December 2008, its capital and reserves amounted to EUR 43.256.091,-. INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. is part of Insinger de Beaufort Group which has offices in Amsterdam, Eindhoven, The Hague, Rome, London and Cape Town. INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. is a 100% subsidiary of Bank Insinger de Beaufort N.V. which itself is a subsidiary of BNP Paribas Wealth Management, the private banking arm of French based BNP Paribas. INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. manages a number of Dutch and Luxembourg based investment funds as well as investment portfolios for institutions clients.

The Investment Manager may delegate the management of each of the Sub-Funds to another asset manager through sub-investment management agreements. Nonetheless, the Investment Manager will remain responsible for the management of the sub-funds and will monitor the investment decisions taken by the other asset manager.

The agreement between the Company and the Investment Manager is concluded for an indefinite period and may be terminated by either party at any time upon one month notice.

For its services, the Investment Manager receives from the Company an annual fee ("Management Fee") and may as well receive a performance-related remuneration ("Performance Fee"), as described in chapter 14 "Charges and Expenses", and, for each Sub-Fund, in the relevant Appendix to this Prospectus.

### 3.4. Custodian

Pursuant to an agreement dated 8 January 2007, RBC Dexia Investor Services Bank S.A., has been appointed as custodian (the "Custodian") of all the assets, including the securities and liquid assets, of the Company. In accordance with usual banking practice, these assets shall be held either directly or, under its responsibility, through nominees, agents or delegates of the Custodian. The Custodian, on instructions from the Company, carries out all acts relating to the disposal of the Company's assets.

RBC Dexia Investor Services Bank S.A. is registered with the Luxembourg Company Register (RCS) under number B-47192 and has been incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector and specialises in custody, fund administration and related services. As of 31<sup>st</sup> December 2011, its equity capital amounts to EUR 790.328.896.

Under the terms of the law of 2010, the Custodian is required to:

- (a) pay for the securities purchased against delivery of the same, deliver the securities sold against collection of their sales price, collect the dividends and interest produced by the Company's assets and exercise the subscription and attribution rights attached thereto;
- (b) ensure that the sale, issue, redemption and cancellation of Shares effected by or on behalf of the Company is carried out in accordance with applicable law and with the Company's Articles of Incorporation;
- (c) ensure that in transactions involving the Company's assets, the proceeds are remitted to it within the usual time limits;
- (d) ensure that the Company's income is allocated in accordance with its Articles of Incorporation.

The Company may release the Custodian from its duties according to the terms of the agreement between them, provided that the following conditions shall then apply:

- (i) a new custodian must be designated — and approved by the supervisory authorities — within two months of the termination of the agreement to carry out the duties and assume the responsibilities of the Custodian as determined by law and as defined in the agreement;
- (ii) if the Company releases the Custodian from its duties, the latter shall continue to carry out its duties for the period necessary to assure the complete transfer of all of the Company's assets to the new custodian;
- (iii) if the Custodian resigns from its duties, it will not be released of its obligations until a new custodian has been designated and all the Company's assets have been transferred thereto.

The agreement between the Company and the Custodian is concluded for an indefinite period and may be terminated by either party upon 90 days prior written notice.



In consideration of the services rendered, the Custodian receives a fee in accordance with normal banking practice in Luxembourg and as described in chapter 14 "Charges and Expenses" hereafter.

### 3.5. Central Administration

Pursuant to an agreement dated 8 January 2007, RBC Dexia Investor Services Bank S.A. has been appointed as central administrative agent of the Company ("Central Administrative Agent" or "Central Administration") and registrar agent of the Company ("Registrar Agent").

In its capacity of Central Administrative Agent, RBC Dexia Investor Services Bank S.A. is responsible for the general administrative functions required by law, the calculation of the Net Asset Value of the Shares of each Sub-Fund and the maintenance of accounting records.

In its capacity of Registrar Agent, RBC Dexia Investor Services Bank S.A. is responsible for processing the issue, redemption, conversion and transfer of Shares on behalf of the Company, as well as for maintaining the register of shareholders.

Measures aimed towards the prevention of money laundering as provided by the laws of the Grand Duchy of Luxembourg and Circulars as issued by the *Commission de Surveillance du Secteur Financier* are the responsibility of the Registrar Agent acting on behalf of the Company.

These measures may require the Registrar Agent to request verification of the identity of any prospective shareholder. 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 or any other competent authority). In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name) or memorandum and articles of association (or equivalent), the names of the shareholders along with a copy of their Id cards or passports.

Until satisfactory proof of identity is provided by potential investors or transferees as determined by the Registrar Agent, 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 Registrar Agent will not be liable for any interest, costs or compensation.

In case of a delay or failure to provide satisfactory proof of identity, the Registrar Agent 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 financial institution or intermediary located in a country recognised by the Registrar Agent as having equivalent anti-money laundering regulations to Luxembourg, as stipulated by the Financial Action Task Force (FATF). The list of countries which comply with the FATF regulations is available upon request at the registered office of the Registrar Agent or can be consulted on the Internet under "<http://www.oecd.org/fatf/>".

The Company reserves the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without unnecessary delay to the applicant by transfer to the applicant's designated account or by post at the applicant's risk. In such event, the Company will not be liable for any interest, costs or compensation.

The agreement between the Company and the Central Administrative Agent and Registrar Agent is concluded for an indefinite period and may be terminated by either party upon 90 days prior written notice.

In consideration of the services rendered, the Central Administrative Agent and Registrar Agent receives a fee as described in chapter 14 "Charges and Expenses" hereafter.

### 3.6. Auditors

The Board of Directors has appointed Ernst & Young, 7, Parc d'Activité Syrdall, L-5365 Munsbach, as auditors of the Company's transactions, accounts and annual reports.



## 4. INVESTMENT OBJECTIVES AND POLICY

### 4.1. Investment objective of the Company

The objective of the Company is to provide investors with a choice of Sub-Funds investing in a wide range of transferable securities on a world-wide basis and featuring a diverse array of investment objectives, including capital growth and income.

The overall objective of the Company is to seek to minimize investment exposure through diversification.

Furthermore, the Company enables investors to participate in professionally managed and diversified portfolios. Individual subscribers may participate in an investment with a substantial amount of funds invested; they are therefore able to take advantage of investment terms normally only available to larger professional investors.

Investors may further switch their investments as individual market conditions and their own investment preferences vary and so recommend.

The Company shall comply with the limits set forth under the Chapter 6 of this Prospectus "Investment Restrictions".

The Company may furthermore employ techniques and instruments for the purpose of efficient portfolio management and/or as a matter of hedging strategies, all as set forth under the Chapter 5 of this Prospectus "Risk Management".

The investments of the Company are subject to normal market fluctuations and, accordingly, it should be emphasized that the price of Shares in any of the Sub-Funds, and the income thereon, can fluctuate.

### 4.2. Investment objectives and policies of each sub-fund

The Board of Directors of the Company has fixed the investment policy of each of the Sub-Funds as described in their respective Appendix to this Prospectus.

## 5. RISK MANAGEMENT

The Company may employ techniques and instruments relating to transferable securities for the purpose of efficient portfolio management.

The Company may also employ techniques and instruments which are intended to provide cover against currency exchange risks in the context of the management of its assets and liabilities.

The Company must employ a risk management process for accurate and independent assessment of the value of OTC derivatives and the Company shall ensure for each Sub-Fund that its global risk exposure relating to financial derivative instruments does not exceed the total net value of its Sub-Fund.

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

In accordance with ESMA Guidelines 10-788, CSSF Circular 11/512 and any relevant circular or regulation issued by the CSSF or any European authority authorised to issue related regulation or technical standards, the Board of Directors will determine the global risk exposure for each Sub-Fund, as described for each Sub-Fund's Appendix to this Prospectus.

There can be no guarantee that a Sub-Fund will achieve the objective sought from the use of the here below-described techniques and instruments.

### 5.1. Techniques and instruments relating to transferable securities or money market instruments

#### 5.1.1. Options on transferable securities or money market instruments

The Company may purchase and sell call and put options on securities and deal in financial futures provided that these contracts are traded on a Regulated Market.

The total of premiums paid for the purchase of call and put options on securities may not exceed 15% of the Net Asset Value of the relevant Sub-Fund.



When selling call options on securities, the relevant Sub-Fund must hold either the underlying securities, or matching call options or other instruments which provide sufficient coverage of the commitments resulting from the relevant contracts in question (such as warrants). The underlying securities of all call options sold may not be disposed of as long as these options exist, unless they are covered in turn by matching options or by other instruments which can be used for the same purpose. The same applies also to matching call options or other instruments that the relevant Sub-Fund must hold when it does not have the underlying securities at the time of the sale of the relevant options.

Notwithstanding the foregoing rule, a Sub-Fund may sell uncovered call options on securities that it does not own, if at the time of such sale the following conditions are met:

- the exercise price of such call options does not exceed 25% of the Net Asset Value of the relevant Sub-Fund;
- the relevant Sub-Fund must at all times be able to cover the positions taken on such sales.

When selling put options, the relevant Sub-Fund must be covered during the full duration of the option contract by liquid resources sufficient to pay for the securities deliverable on the exercise of the options.

The total commitment arising on the sale of call and put options (excluding the sale of call options for which the Sub-Fund concerned has adequate coverage) may at no time exceed the total Net Asset Value of the Sub-Fund concerned.

#### 5.1.2. *Transactions relating to futures and options on financial instruments*

Except for transactions on a mutual agreement basis, which is described in item b) below, the following transactions described hereunder may only relate to contracts, which are dealt in on a Regulated Market.

Subject to the conditions defined here-below, such transactions may be undertaken for hedging or other purposes.

##### a) hedging operations relating to the risks attached to the general movement of stock markets

As a global hedge against the risk of unfavourable stock market movements, a Sub-Fund may sell futures on stock market indices. For the same purpose, a Sub-Fund may also sell call options or buy put options on stock market indices. The use of these operations assumes that a sufficient correlation exists between the composition of the index used and the corresponding Sub-Fund's portfolio.

In principle, the total commitment relating to futures and option contracts on stock market indices may not exceed the global valuation of securities held by the relevant Sub-Fund in the markets corresponding to each index.

##### b) transactions relating to interest rate hedging

As a global hedge against interest rate fluctuations, a Sub-Fund may sell interest rate futures contracts. For the same purpose, it can also sell call options or buy put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transaction.

In principle, the total commitment on financial futures contracts, option contracts and interest rate swaps may not exceed the global valuation of the assets to be hedged held by the Sub-Fund concerned in the currency corresponding to these contracts.

##### c) transactions undertaken for purposes other than hedging

Apart from option contracts on securities and contracts relating to currencies, a Sub-Fund may, for purpose other than hedging, buy and sell futures contracts and option contracts on any type of financial instrument, provided that the total commitment resulting from these purchase and sale transactions together with the total commitment resulting from the sale of call and put options on securities at no time exceeds the Net Asset Value of the relevant Sub-Fund.

In this context, the concept of the commitments relating to transactions other than options on transferable securities is defined as follows:

- the commitment arising from futures contracts is deemed equal to the value of the underlying net positions payable on those contracts which relate to identical financial instruments (after setting off all sale positions against purchase positions), without taking into account the respective maturity dates and
- the commitment deriving from options purchased and written is equal to the aggregate of the assets without taking exercise (striking) prices of net uncovered sales positions which relate to single underlying account respective maturity dates.

Sales of call options on securities for which the Sub-Fund has sufficient coverage are not included in the calculation of the total commitment referred to above.



d) General

The total of the premiums paid to acquire call and put options on securities, together with the total of the premiums paid to acquire call and put options on financial instruments, may not exceed 15% of the net asset value of the relevant Sub-Fund.

5.1.3. *Securities lending*

A Sub-Fund may enter into securities lending transactions provided that they comply with the following regulations:

a) regulations to ensure the proper completion of lending transactions

A Sub-Fund may only lend securities through a standardised lending system organised by a recognised clearing institution or through a first class financial institution specialising in this type of transaction.

As part of the lending transaction, the relevant Sub-Fund must in principle receive a guarantee, the value of which at the time of the conclusion of the contract must at least equal the global valuation of the securities lent. This guarantee must be given in the form of liquid assets and/or in the form of securities issued or guaranteed by a Member State of the OECD or by their local authorities or by supranational institutions and undertakings of a community, regional or world-wide nature and blocked in the name of the Company until the expiry of the loan contract.

b) conditions and limits of securities lending

These transactions may not exceed 50% of the global valuation of the securities portfolio concerned. This limit however does not apply where the Company is entitled at all times to the cancellation of the contract and the restitution of the securities lent.

These transactions may not extend beyond a period of 30 days. However, where the Company is entitled at all times to the cancellation of the contract without any cost, then these transactions may extend beyond a period of 30 days.

5.1.4. *Repurchase Agreements – “Réméré” transactions*

On an ancillary basis, a Sub-Fund may enter into repurchase or “réméré” transactions which consist of the purchase and sale of securities with a clause reserving the seller the right and the obligation to repurchase from the purchaser the securities sold at a price and term specified by the two parties in their contractual agreement. They cannot be considered as transferable securities, although the underlying securities are transferable. These “réméré” transactions will be dealt with in respect of the Law and the investment policy of each sub-fund.

A Sub-Fund can act either as purchaser or seller in repurchase or “réméré” transactions. Its involvement in such transactions is however subject to the following regulations:

a) regulations to ensure the proper completion of repurchase or “réméré” transactions

A Sub-Fund may not buy or sell securities using a repurchase or “réméré” transaction unless the counterparty in such transaction is a first class financial institution specialising in this type of transaction.

b) conditions and limits of repurchase or “réméré” transactions

During the life of a repurchase or “réméré” contract of purchase, a Sub-Fund cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.

Where a Sub-Fund is exposed to redemptions, it must ensure that the level of its exposure to repurchase or “réméré” transactions of purchase is such that it is able, at all times, to meet its repurchase obligations.

**5.2. Techniques and instruments to hedge exchange risks to which the Company is exposed in the management of its assets and liabilities**

In order to protect its assets against the fluctuation of currencies, a Sub-Fund may enter into transactions the purpose of which is the sale of forward foreign exchange contracts, the sale of call options or the purchase of put options in respect of currencies.

These transactions may only be entered into through contracts, which are traded on a Regulated Market.

For the same purpose, a Sub-Fund may also sell currencies forward or exchange currencies on a mutual agreement basis with first class financial institutions specialising in this type of transaction.



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

## 6. INVESTMENT RESTRICTIONS

The Directors shall, based upon the principle of spreading risks, have power to determine the corporate and investment policy for the investments and the course of conduct of the management and business affairs of each Sub-Fund of the Company.

For the purpose of the investment restrictions, the following definitions will apply:

Eligible Market	a Regulated Market in an Eligible State
Eligible State	any member state of the OECD, and all other countries of North and South America, Africa, Europe, Asia and Australia
Regulated Market	a market within the meaning of Article 1.13 of directive 93/22/EEC and any other market which is regulated, operates regularly and is recognized and open to the public

6.1. Each Sub-Fund may invest solely in:

- a) transferable securities and money market instruments dealt in on a Regulated Market in an Eligible State;
- b) recently issued transferable securities provided that the terms of the issue include an undertaking that application will be made for admission to the official listing on a Regulated Market in an Eligible State and provided such admission will be secured within a year of issue;
- c) units of undertakings for collective investment in transferable securities ("UCITS") and/or other undertakings for collective investment ("UCI"), whether situated in an EU member state or not, provided that:
  - such other UCIs have been authorised under the laws of any member country of the European Union or under the laws of Canada, Hong Kong, Japan, Norway, Switzerland or the United States of America;
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, according to the Directive 2009/65/EC;
  - the business of such other UCIs is reported in half-yearly and annual reports;
  - the UCITS or other UCIs, whose acquisition is contemplated, do not invest more than 10% of their assets in units of other UCITS or other UCIs;
  - the UCITS and UCIs in which the Company will invest will have similar investment policies to the one of the Company;
- d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an OECD member state and a FATF state;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market in an Eligible State and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
  - the underlying consists of instruments covered by this section 6.1., financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objective;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Luxembourg supervisory authority;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- f) money market instruments other than those dealt in on a Regulated Market in an Eligible State, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and comply with restrictions for the purpose of bringing solvency warranty;

6.2. Each Sub-Fund may invest its assets in transferable securities and money market instruments other than those mentioned above 6.1., but only up to a maximum of 10% of its net assets;

6.3. Each Sub-Fund may hold ancillary liquid assets;



- 6.4. a) A Sub-Fund may not invest more than 10% of its net assets in transferable securities and money market instruments issued by the same issuing body.  
A Sub-Fund may not invest more than 20% of its total net assets in deposits made with the same body.  
The risk exposure to a counterparty of the Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 6.1.d) above or 5% of its net assets in other cases;
- b) The total value of the transferable securities and money market instruments held by the Sub-Fund in the issuing bodies in each of which it has invested more than 5% of its net assets must not exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph 6.4.a) above, a Sub-Fund may not combine

- investments in transferable securities or money market instruments issued by,
  - deposits made with, and/or
  - exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets;
- c) The limit of 10% laid down in paragraph 6.4.a) above may be increased to a maximum of 35% in respect of transferable securities and money market instruments which are issued or guaranteed by an EU member state, by its local authorities, by another Eligible State or by public international bodies of which one or more member states are members;
- d) The limit of 10% laid down in paragraph 6.4.a) above may be increased to a maximum of 25% for certain debt securities if they are issued by a credit institution whose registered office is situated in an EU member state and which is subject by law to special public supervision designed to protect the holders of debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

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

- e) The transferable securities and money market instruments referred to in paragraph 6.4.c) and d) above shall not be included in the calculation of the limit of 40% stated in paragraph 6.4.b) above.

The limits set out in paragraphs 6.4.a), b), c) and d) may not be combined, and thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivatives instruments made with this body carried out in accordance with paragraphs 6.4.a), b), c) and d) may not exceed a total of 35% of the Sub-Fund's assets.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this section 6.4.

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

- 6.5. **By way of derogation from section 6.4. above, each Sub-Fund is duly authorised to invest up to 100% of its net assets, in accordance with the principle of risk spreading, in different transferable securities and money market instruments issued or guaranteed by a Member State of the OECD, any local authorities in the EU countries, or international public bodies of which one or more EU member states are members. A Sub-Fund may invest up to 100% of the net assets as described above if it holds securities from at least six different issues on the condition that securities from any one issue may not account for more than 30% of its total net assets;**

- 6.6. By way of derogation, the limits laid down in section 6.4. above may be increased to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index, provided that:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- it is published in an appropriate manner.

The limit laid down above is increased to 35% for a single issuer when certain transferable securities or money market instruments are highly dominant in the index;



- 6.7. a) A Sub-Fund may acquire units of UCITS and/or other UCIs referred to in paragraph 6.1.c) above, provided that no more than 20% of its net assets be invested in the units of a single UCITS or other UCI. For the purpose of the application of the investment limit, each compartment of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured;
- b) A Sub-Fund may not invest more than 30% of its net assets in units of UCIs other than UCITS. When a Sub-Fund acquires units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs are not combined for the purposes of the limits laid down in section 6.4. above;
- c) When the Company invests in units of UCITS and/or other UCIs linked to the Company by common management or control, or by a substantial direct or indirect holding, or managed by a management company linked to the investment manager, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs;
- 6.8. a) The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence on the management of an issuing body;
- b) The Company may not acquire more than:
- 10% of the non-voting shares of the same issuer,
  - 10% of the debt securities of the same issuer,
  - 10% of the money market instruments of the same issuer,
  - 25% of the units of the same UCITS and/or other UCI.

The limits laid down in the second, the third and the fourth indents may be disregarded at the time of acquisition if at that time, the gross amount of debt securities or money market instruments or the net amount of the securities in issue cannot be calculated.

In case of a UCITS or other UCI with multiple sub-funds, the limits laid down in the fourth indent is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined;

- c) the limits set out in paragraphs 6.8.a) and b) above are not applicable as regards securities referred to under article 48 paragraph 3) sub-paragraphs a), b), c), d) and e) of the Law of 2010;
- 6.9. The Company is prohibited from borrowing. However, by way of derogation, each Sub-Fund may borrow the equivalent of up to 10% of its net assets, provided that the borrowing is done on a temporary basis. The purchase of foreign currencies by way of back to back loans remains possible;
- 6.10. The Company may not make loans or give guarantees to third parties. This restriction shall not prevent the Company from acquiring transferable securities or money market instruments which are not fully paid up and lending portfolio securities;
- 6.11. The Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to above;
- 6.12. The Company may not invest in real estate, in commodities or in investments which involve unlimited liability.
- 6.13. The Company may not acquire either precious metals or certificates representing them;
- 6.14. If the limits referred to in this chapter 6 are exceeded for reasons beyond the control of the Company or as a result of exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of the shareholders;
- 6.15. To the extent an issuer is a legal entity with multiple compartments where the assets of a compartment are exclusively reserved to investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment has to be considered as a separate issuer for the purpose of the application of the risk-spreading rules set out in sections 6.4, 6.6 and 6.7 above.
- 6.16. Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total Net Asset Value of its portfolio.



## **7. THE SHARES**

Shares shall be offered in registered form only.

Unless instructed otherwise, subscribers shall be deemed to have requested their Shares be issued in registered form without certificates; confirmation of shareholding will be issued and delivered instead. The Shares are evidenced by entries in the Company's register of shareholders. The Company shall consider the person in whose name the Shares are registered as the full owner of the Shares. The Shares may be issued with fractions of up to three (3) decimals.

Title to Shares in registered form is transferred upon delivery of (a) the certificate with the transfer form on the reverse side duly completed or (b) if no Share certificate has been issued, another instrument of transfer satisfactory to the Company, and by inscription of the name of the transferee in the Company's register of shareholders.

Delivery of Share certificates to subscribers, when specifically requested, is made at the risk and at the expense of those subscribers, within 10 days from the relevant Valuation Day.

The Company recommends that subscribers hold the Shares in non-certificated form for the purposes of security and ease of dealing. The Shares so issued may be redeemed, converted or transferred upon written instruction to the Company; in the other cases, the Company must first receive the certificates.

## **8. APPLICATION FOR SHARES**

### **8.1. General**

Applications should be made directly to the Registrar Agent of the Company in Luxembourg.

The Company reserves the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without unnecessary delay to the applicant by transfer to the applicant's designated account or by post at the applicant's risk. In such event, the Company will not be liable for any interest, costs or compensation.

No Shares of any Sub-Fund will be issued during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended by the Company as set out in chapter 12 "Net Asset Value".

Prospective investors should complete an Application Form. Application for subscriptions may also be made in writing, provided that all information required in the Application Form are provided.

Subject to local law in countries where the Shares are offered, financial intermediaries can, with the approval of the Board of Directors of the Company, agree to act as nominee for the investors. In this capacity, the financial intermediary shall, in its name but as nominee for the investor, purchase or sell shares for the investor and request registration of such Share transactions in the register of the Company.

However, the investor may invest directly in the Shares of the Company without using this nominee service and if the investor does invest through a nominee, he will still retain a direct claim to this Shares subscribed; however, that provision is not applicable for shareholders solicited in countries where the use of the services of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

Investors using the nominee service may give instructions to redeem or convert their holding direct to the Company in Luxembourg in the same manner as direct holders of Shares after having caused the nominee to register his holding in his name in the Company's Share register.

### **8.2. Minimum investment**

The Board of Directors may fix a minimum subscription amount for each Sub-Fund which, if applicable, is indicated in the relevant Sub-Fund Appendix.

### **8.3. Subscriptions**

Shares will be issued at a Subscription Price equal to the Net Asset Value per Share of the relevant Sub-Fund plus a maximum 5% subscription fee in favour of the Investment Manager who will be responsible for rewarding the intermediaries involved in the distribution of the Shares.



Applications received by the Registrar Agent of the Company in Luxembourg on a Valuation Day before 12.00 a.m., Luxembourg time, shall be dealt with on that Valuation Day at the Subscription Price of the relevant Sub-Fund prevailing on that Valuation Day. Any applications received thereafter shall be processed on the next Valuation Day.

#### **8.4. Payments**

The Subscription Price is payable in the currency of the relevant Sub-Fund within 5 business days following the Valuation Day. However, the Board of Directors may, for each Sub-Fund, determine other currencies (hereinafter the authorized "Payment Currencies") in which the Subscription Price may be paid. Such currencies, as the case may be, are indicated in the relevant Sub-Fund Appendix.

The Subscription Price per Share in the authorized Payment Currencies will be based on a calculation made by the Central Administrative Agent converting the Net Asset Value per Share into the Payment Currencies by reference to all average spot rate on the Valuation Day, used to value the relevant Sub-Fund's assets provided that the Board of Directors may

- (i) adjust or cause the Subscription Price per Share payable to be adjusted by reference to the market rate of such currencies at the time of the calculation of the applicable Subscription Price per Share in case of a de- or re-evaluation of such currencies, or
- (ii) reject subscriptions paid in a currency other than the accounting currency of the relevant Sub-Fund,

if exceptional circumstances or fluctuations in the international currency markets exist, which justify such decision in the interest of the shareholders of the relevant Sub-Fund.

Payments must be made by bank transfer in favour of the subscription account of the Company for the benefit of the respective Sub-Fund with the Custodian as described in the Application Form.

Transfer of funds should be made under arrangements giving the Company notice of the amount transferred and the value date at which it will be available.

#### **8.5. Contribution in kind**

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

Any cost incurred in connection with a contribution in kind securities shall be borne by the relevant shareholders.

## **9. REDEMPTION OF SHARES**

### **9.1. General**

Any shareholder has the right at any time to have all or part of its Shares redeemed by the Company. Any Shares redeemed by the Company will be cancelled.

Requests shall be made directly to the Registrar Agent of the Company in Luxembourg.

Any request for redemptions shall be irrevocable except during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended by the Company as set out in section 12.2 "Suspension of the Net Asset Value determination". In the absence of revocation, redemptions will be effected on the first applicable Valuation Day following the end of the suspension.

The Redemption Price of Shares may be higher or lower than the Subscription Price paid by the shareholder at the time of subscription, depending on whether the Net Asset Value has appreciated or depreciated.

If the amount of the minimum initial investment in shares of any Sub-Fund, as indicated in the relevant Sub-Fund Appendix, is not maintained due to a transfer/redemption of Shares, the Company may compulsorily redeem the remaining Shares at their current Net Asset Value and make payment of the proceeds thereof to the shareholder.



## **Procedure**

Redemption requests should be addressed in writing and state the number, form, class and the name of the Sub-Fund of the Shares to be redeemed as well as all necessary references enabling the payment of the redemption proceeds.

Redemption requests must be accompanied by the certificates with the documents, if any, evidencing any transfer of Shares.

Redemption requests received by the Registrar Agent of the Company in Luxembourg on a Valuation Day before 12.00 a.m., Luxembourg time, shall be dealt with on that Valuation Day at the Redemption Price of the relevant Sub-Fund prevailing on that Valuation Day. Any redemption requests received thereafter will be processed on the next Valuation Day.

The Redemption Price will correspond to the Net Asset Value per Share of the relevant Sub-Fund. No redemption fee will be levied.

### **9.3. Payments**

The Redemption Price is payable in the currency of the relevant Sub-Fund within 5 business days following the valuation day, provided that all the documents evidencing the redemption as mentioned above have been received by the Registrar Agent of the Company.

A subscriber may however request payment in another currency, which can be freely exchanged into the currency of the relevant Sub-Fund. The required foreign exchange transaction shall be arranged on behalf of and at the expense of the shareholder.

## **10. CONVERSION OF SHARES**

### **10.1. General**

Any shareholder may request the conversion of all or part of its Shares of any Sub-Fund and/or class into Shares of any other existing Sub-Fund and/or Class.

Requests shall be made directly to the Registrar Agent of the Company in Luxembourg.

Any request for conversions shall be irrevocable except during any period when the determination of the Net Asset Value of the relevant Sub-Fund is suspended by the Company as set out in section 12.2 "Suspension of the Net Asset Value determination". In the absence of revocation, conversions will occur as of the first applicable Valuation Day after the end of the suspension.

If the amount of the minimum initial investment in Shares of any Sub-Fund, as indicated in the relevant Sub-Fund Appendix, is not maintained due to a conversion of Shares, the Company may compulsorily convert the remaining Shares at their current Net Asset Value.

### **10.2. Procedure**

The conversion requests must be addressed in writing and state the number, form and the name of the Sub-Fund and/or Class of the Shares to be converted, and the form of the Shares to be issued in the newly selected Sub-Fund and/or Class.

The conversion requests must be accompanied by the certificates with the documents, if any, evidencing any transfer of Shares.

Conversion requests received by the Registrar Agent of the Company in Luxembourg on a Valuation Day before 12.00 a.m., Luxembourg time, shall be dealt with on that common Valuation Day. Any conversion requests received thereafter will be processed on the next common Valuation Day.



The rate at which all or part of the Shares of a Sub-Fund and/or Class (the "initial Sub-Fund and/or Class") is converted into Shares of another Sub-Fund and/or Class (the "new Sub-Fund and/or Class") is determined by the following formula:

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

As off

- A being the number of Shares of the new Sub-Fund and/or Class to be issued;
- B being the number of Shares of the initial Sub-Fund and/or Class to be converted;
- C being the Net Asset Value per Share of the initial Sub-Fund and/or Class as determined on the relevant common Valuation Day;
- D being the Net Asset Value per Share of the new Sub-Fund and/or Class as determined on the relevant common Valuation Day;
- E being the exchange rate between the currency of the initial Sub-Fund and/or Class and the currency of the new Sub-Fund and/or Class. If the currency of the initial Sub-Fund and/or Class and the currency of the new Sub-Fund and/or Class are the same, E will be equal to 1.

The conversion shall be made free of charge for the shareholders. However, the Directors of the Company reserve the right to levy a conversion fee at any future date; in this case, the present Prospectus will be updated.

## 11. PREVENTION OF MARKET TIMING AND LATE TRADING PRACTICES

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

### 11.1. Market Timing

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

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

Moreover, the Board of Directors may impose a penalty fee of 2% of the Net Asset Value of the Shares redeemed or converted where the redemption or conversion request is made within 10 Business Days after the subscription of the same Shares and the Board of Directors reasonably believes that an investor has engaged in Market Timing activity. The penalty shall be credited to the relevant Sub-Fund.

### 11.2. Late Trading

In general, *Late Trading* is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the Net Asset Value applicable to such same day.

In order to avoid Late Trading, subscription, conversion and redemption requests will be dealt with at an unknown Net Asset Value.



## 12. NET ASSET VALUE

### 12.1. Determination of the Net Asset Value

The Net Asset Value per Share shall be expressed in the currency of the relevant Sub-Fund as a per Share number and shall be determined as of each Valuation Day as the total Net Asset Value of the relevant Sub-Fund, being the value of the assets of the Sub-Fund less its liabilities, divided by the number of outstanding Shares of the relevant Sub-Fund. However, the Board of Directors may, for each Sub-Fund, determine other currencies in which the Net Asset Value per Share may be expressed. Such currencies, as the case may be, are indicated in the relevant Sub-Fund Appendix. The portfolio assets and liabilities of each Sub-Fund are valued, excluding from the relevant portfolio the assets and liabilities of the relevant Sub-Fund which, as the case may be, relate only to a particular class of Shares ("class specific assets and liabilities"), being primarily forward currency contracts or other hedging instruments entered into for the benefit of particular Classes of Shares and related liabilities. All Classes of Shares participate in the relevant common portfolio (as defined in the Appendix of the relevant Sub-Fund) in the respective numbers of portfolio entitlements attributable to the number of Classes. Portfolio entitlements are allocated to or deducted from a particular Class on the basis of

- (i) the funds contributed to the relevant common portfolio or paid out of the relevant common portfolio by reasons of issues or repurchases of Shares of that Class,
- (ii) the amounts paid into or out of the relevant common portfolio upon disposition or acquisition of Shares of that Class, upon payment of Class specific liabilities, or upon realisation of profits, losses or income on Class specific assets, and
- (iii) dividends or other distributions paid on that Class of Shares.

The value of the total number of portfolio entitlements attributed to a particular Class on the given Valuation Day plus the value on that date of the class specific assets and liabilities relating to that Class represents the total Net Asset Value attributable to that Class of Shares on that Valuation Day. The Net Asset Value per Share of that Class equals the total Net Asset Value on that date divided by the total number of outstanding Shares of that Class.

A Valuation Day is defined below in respect of each Sub-Fund, provided that if any such day is not a Luxembourg bank Business Day, the Shares shall be valued on the next following Luxembourg bank Business Day.

The Valuation Day in respect of each Sub-Fund is indicated in the relevant Sub-Fund Appendix.

The basic accounting principles for determining the Net Asset Value of the Sub-Funds are set forth in the Articles of Incorporation. The material provisions are as follows:

- 1) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;
- 2) the value of securities which are quoted or traded on any stock exchange shall be in respect of each security, the latest available known price, and where appropriate, the mid market price on the stock exchange which is normally the principle market for such security;
- 3) securities traded on another regulated market are valued as near as possible to that described in the preceding paragraph;
- 4) in the event that any of the securities held in any portfolio on the relevant Valuation Day are not quoted or traded on a stock exchange or another regulated market or, for any one of the securities, no price quotation is available, or if the price as determined pursuant to sub-paragraphs 2) and/or 3) is not in the opinion of the Directors representative of the fair market value of the relevant securities, the value of such securities shall be determined based on the reasonably foreseeable sales price determined prudently and in good faith;
- 5) Shares or Units of other undertakings for collective investments of an open-ended type are valued at their latest available Net Asset Value;
- 6) all other assets shall be valued at their respective fair values as determined in good faith by the Directors in accordance with generally accepted valuation principles and procedures.

If, since the last Valuation Day there has been a material movement in the quotations on the markets on which a substantial portion of the investments of the Company attributable to a particular Sub-Fund is listed or dealt in, the Directors may, in order to safeguard the interests of the shareholders and the Company, cancel the first valuation and carry out a second valuation.



Should circumstances so require, the Directors may also adopt other valuation methods in accordance with generally accepted procedures.

The value of the assets denominated in a currency other than the currency of the relevant Sub-Fund will be translated at the prevailing exchange rates in Luxembourg at the time of the determination of the corresponding Net Asset Value.

The total Net Asset Value of the Company is equal to the sum of the net assets of the various activated Sub-Funds translated into EUR at the prevailing exchange rates in Luxembourg on the relevant Valuation Day.

The capital of the Company shall at any time be equal to the total Net Asset Value of the Company. The minimum capital of the Company, as required by the law, shall be EUR 1.250.000,-.

The Net Asset Value per Share of each Sub-Fund is expressed in the currency(ies) indicated in the relevant Sub-Fund Appendix.

## **12.2. Suspension of the Net Asset Value determination**

The Company may suspend the determination of the Net Asset

Value of the Shares of any particular Sub-Fund and the issue and redemption of the Shares in such Sub-Fund as well as the conversion from and to Shares of such Sub-Fund during:

- (a) any period when any one of the principal markets or stock exchanges, on which a substantial portion of the investments of any Sub-Fund of the Company is quoted is closed other than for ordinary holidays, or when trading thereon is restricted or suspended;
- (b) the existence of any state of affairs which constitutes an emergency whereby the disposal or valuation of assets owned by any Sub-Fund of the Company would be impracticable;
- (c) a breakdown in the means of communication generally employed in determining either the price or value of any of the investments attributable to any Sub-Fund or the current prices or values on any market or stock exchange;
- (d) any period when the Company is unable to repatriate funds for either making payments on the redemption of Shares of any Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on the redemption of Shares of any Sub-Fund cannot in the opinion of the Directors be effected at normal prices or rates of exchange;
- (e) any period when the Company is being liquidated or as from the date on which notice is given of a shareholders' meeting at which a resolution to liquidate the Company is proposed;
- (f) any period when the Net Asset Value of a single or more investment fund(s) in which any Sub-Fund has invested and when the transferable securities of the investment fund(s) represent a significant part of the assets of any Sub-Fund can not be calculated with accuracy and can not reflect the true market value of the Net Asset Value of the investment fund(s) during a Valuation Day.

Any one of the above suspension shall be published by the Company and notified to shareholders requesting subscription, redemption or conversion of their Shares by the Company at the time of filing of their request for such subscription, redemption or conversion.

A suspension of the Net Asset Value determination of any Sub-Fund shall have no effect on the determination of the Net Asset Value, the issue, redemption and conversion of the Shares of any other Sub-Fund if the circumstances referred to above do not exist in respect of the other Sub-Funds.

## **13. DIVIDENDS**

The dividend policy of each Sub-Fund is described in the relevant Appendix.



## **14. CHARGES AND EXPENSES**

### **14.1. Setting-up costs**

The Company bears the costs of its establishment, including the costs of introduction with the regulatory and stock exchange authorities, notary charges, the cost of preparing and printing this Prospectus and Share certificates, and any other fees and costs incurred in connection with the establishment and launching of the Company.

The fees and costs incurred in connection with the establishment and launching of any additional Sub-Fund, which may be created in the future, shall be borne by the relevant Sub-Fund and shall be amortized, as the case may be, over the first five financial years following the launching of the relevant Sub-Fund.

### **14.2. Investment Manager**

#### *14.2.1. Management fee*

As remuneration for its services, the Investment Manager shall receive from the Company an annual fee related to the average net assets of each Sub-Fund as indicated in the relevant Sub-Fund Appendix.

The actual rate of this investment management fee is disclosed in the financial reports.

#### *14.2.2. Performance fee*

In order to provide an incentive to the Investment Manager, the Company may pay an additional performance fee, as the case may be, as indicated in the Appendix of the relevant Sub-Fund.

#### *14.2.3.*

In case the Investment Manager delegates part or all of the management of one or more of the Sub-Funds to another asset manager, the fees of the sub-investment manager shall be paid by the Investment Manager. No additional fees shall be charged to the relative Sub-Fund.

### **14.3. Custodian, Central Administrative Agent and Registrar Agent**

As remuneration of its services as Custodian, Central Administrative Agent and Registrar Agent, RBC Dexia Investor Services Bank S.A. will receive fees which combined amount to an average of 0.28% p.a. of the net assets of the Company (excluding transaction fees and sub-custodian fees).

### **14.4. Other expenses**

The Company bears all its operating expenses, including without limitation the costs of buying and selling securities, governmental charges, legal and auditing fees, interest, printing, reporting and publication expenses, paying agency fees, postage, telephone, telex and facsimile.

### **14.5. Allocation of liabilities**

Any charges and costs attributable to a specific Sub-Fund shall be allocated directly to that Sub-Fund.

Any charges and costs that cannot be directly attributable to a specific Sub-Fund shall be allocated equally to the various Sub-Funds or, if the amounts so require, they shall be allocated to the Sub-Funds in proportion to their respective net assets.

The Company constitutes a sole legal entity. For purposes of the relations between shareholders, each Sub-Fund will be deemed to be a separate entity.



## 15. TAXATION

### 15.1. The Company

Under current law and practice, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax. However, the Company is liable in Luxembourg to a tax of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the basis of the net assets of all Sub-Funds at the end of the relevant quarter. No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Company except for a once off tax of EUR 1.239,47.- which was paid upon incorporation.

Under current law and practice, no capital gains tax is payable in Luxembourg on the realised or unrealised capital appreciation of the assets of the Company.

Income derived by the Company from different sources may be subject to withholding taxes in the countries of origin. The Company collects the income produced by the securities in its portfolio after deduction of any withholding tax in the relevant countries.

### 15.2. The shareholders

Under current legislation and practice, shareholders are not subject to any capital gains, income, withholding, gift estate or inheritance tax in Luxembourg (except for (i) those domiciled, resident or having a permanent establishment in Luxembourg, or (ii) non-residents of Luxembourg who hold more than 10% of the Shares of the Company and who dispose of all or part of their holdings within 6 months from the date of acquisition or (iii) in some limited cases, some former residents of Luxembourg who hold more than 10% of the Shares of the Company).

The law of June 21, 2005 (the "Law") has implemented into Luxembourg law, the Council Directive 2003/48/EC on the taxation of savings on taxation of savings income in the form of interest payments (the "Savings Directive") which provides for the taxation of interest payments made in one Member State of the European Union ("EU Member State") to individuals who are resident of another EU Member State.

The taxation of such interest payments will be achieved through the exchange of information between the EU Member States. However during a transitional period Luxembourg will be authorised to apply a withholding tax instead of exchanging information.

Thus a withholding tax could apply when a Luxembourg paying agent makes distributions (a reinvested dividend is considered distribution payment) and redemption of Shares (including redemption in kind) for the benefit of a shareholder who is an individual residing in another EU Member State. In this context shareholders are advised that withholding tax could apply on conversions as conversions consists of a redemption followed by a subscription.

Shareholders are advised that withholding tax will not be withheld if they provide a tax certificate issued by the relevant authorities in their country of residence or if they expressly request to be brought within the exchange of information as provided by the Law and by the Savings Directive which would result in information regarding the distribution or redemption being provided to the fiscal authority in the country where they are resident.

The above information is based on the law and practice currently in force and is subject to changes.

Investors should consult their professional advisers on the possible tax or other consequences of buying, holding, converting, transferring or selling any of the shares under the laws of their countries of citizenship, residence or domicile.

## 16. MEETINGS AND REPORTS

The annual general meeting of shareholders of the Company shall be held at the registered office of the Company or at such other place in Luxembourg on the last Wednesday of the month of April of each year at 11 a.m., or if any such day is not a bank Business Day in Luxembourg, the next following bank Business Day in Luxembourg.

Notifications of all general meetings shall be published in the *Memorial, Recueil des Sociétés et Associations*, of Luxembourg (the "Memorial") in as far as this is required by Luxembourg law and in "d'Wort" and shall be sent to the holders of registered Shares by post at least 8 days prior to the meeting at their addresses in the Register of Shareholders. These notices shall include the agenda and specify the time and place of the meeting and the conditions of admission and shall also refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities required for the meeting. The requirements as to attendance, quorum and majorities at all general meetings shall be that of Articles 67 and 67-1 of the law of 1915 (as amended) of the Grand-Duchy of Luxembourg and the Articles of Incorporation.



Each Share is entitled to one vote.

Unless it is otherwise required by law or otherwise provided in the Articles of Incorporation, resolutions shall be passed by a simple majority of those present or represented to vote.

The Directors shall determine all other conditions that must be fulfilled by the shareholders in order for them to participate in shareholders' meetings.

The Financial Year-end of the Company shall be the last day of December of each year.

The audited Annual Reports shall be published within 4 months after the Financial Year-end and the un-audited semi-Annual Reports shall be published within 2 months at the end of the relevant period. The Reports shall include separate information on each of the Sub-Funds as well as combined information on all of the Sub-Funds. The Reports shall be sent to each registered shareholder at their registered address and shall be available at the registered office of the Company during normal business hours.

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

## **17. LIQUIDATION AND MERGER**

### **17.1. Liquidation - Dissolution of the Company**

In the event the capital of the Company falls two-thirds below the minimum capital required by the law, the Directors are obliged to propose for the dissolution of the Company in a general shareholders' meeting whereby no quorum is prescribed and where a simple decision shall be made by the majority of the number of Shares present or represented at the meeting.

In the event the capital of the Company falls one-fourth below the minimum capital required, the Directors are obliged to propose the dissolution of the Company in a general shareholders' meeting whereby no quorum is prescribed; dissolution may be resolved by the number of shareholders holding one-fourth of the Shares present or represented at the meeting.

The above meetings must be convened within a forty day period once it is ascertained that the total Net Asset Value of the Company has fallen either two-thirds or one-fourth of the minimum capital required.

In the event of a voluntary liquidation, the operations shall be conducted by one or several liquidators appointed in the shareholders' extraordinary general meeting which shall be held to determine the powers and compensation of those appointed.

The net product of the liquidation relating to each Sub-Fund shall be distributed to the shareholders in the relevant Sub-Fund in proportion to the number of Shares held in such a Sub-Fund.

In the event of a voluntarily or compulsorily liquidation of Company, the liquidation shall be executed under the provisions of the law which specifies the necessary procedures to be taken to enable shareholders to participate in the liquidation distribution(s) and in this connection provides for deposit in escrow at the *Caisse des Consignations* of any such amounts not claimed by shareholders as at the close of liquidation.

Amounts not claimed from escrow within the prescription period shall be liable to be forfeited under the provisions of Luxembourg law.

### **17.2. Liquidation - Merger of sub-funds**

The Directors may decide to either merge one or several Sub-Fund(s) or, decide to liquidate one or several Sub-Fund(s) by cancelling the relevant Shares and refunding Sub-Fund(s) shareholders the full Net Asset Value of such Sub-Fund(s) Shares.

The Directors may also decide to merge one or several Sub-Fund(s) with one or several Sub-Fund(s) of another Luxembourg Company subject to Part I of the law of 2010.

The Directors are empowered to take any one of the above decisions in the event the net assets of the Sub-Fund(s) to be liquidated or merged falls below EUR 5 million or the equivalent in each Sub-Fund(s) Reference Currency.



The Directors are also empowered to take any one of the above decisions in the event social, political or economic situations in the countries where investments for the relevant Sub-Fund(s) are made, or Shares of the relevant Sub-Fund(s) are distributed, change substantially.

Notification of these decisions shall be sent by to the holders of registered Shares to their address in the Shareholders' Register.

In the event of either a merger with another Company Sub-Fund or with a Sub-Fund of another Luxembourg Company, shareholders of the Sub-Fund(s) to be merged shall be entitled to request the redemption of their Shares. This redemption shall be made at no cost to the shareholders throughout the minimum period of one month commencing on the publication date of the merger decision. At the end of that period, all the remaining shareholders shall be bound by the merger decision.

In the event the Directors decide to liquidate a Sub-Fund, the shareholders of its Shares shall be entitled to request the redemption of their Shares until the effective date of the liquidation. The Company shall take the liquidation fees into consideration on the Net Asset Value and not charge any other fees for redemptions made under these circumstances. The liquidation proceeds unclaimed by shareholders as at the close of the operations shall remain in deposit with the Custodian for a period of six months and thereafter, be deposited with the *Caisse des Consignations* in Luxembourg.

Notwithstanding the powers conferred to the Directors by the preceding paragraph, the general meeting of shareholders of any one Sub-Fund have the power, in any other circumstances and upon proposal of the Directors, to redeem all the shares of the relevant Sub-Fund and refund to the shareholders the net asset value of their shares (taking into account actual realisation prices of investments and realisation expenses). There shall be no quorum requirements for such general meeting of shareholders, which will decide by simple majority of those present or represented.

Sub-Fund shareholders are entitled to decide whether to merge either one or several Sub-Fund(s) with a Luxembourg collective investment undertaking organised in the form of a mutual fund (FCP), subject to Part I of the law of 2010, or to decide whether to merge one or several Sub-Fund(s) with another foreign collective investment undertaking. Resolutions in this respect shall be passed by the relevant Sub-Fund shareholders. Only the shareholders who voted for the merger shall be bound by the decision to merge and the remaining shareholders considered as having been asked for the redemption of their Shares. This redemption shall be made without cost to the shareholders during a minimum period of one month commencing on the publication date merger decision.

## **18. PUBLICATIONS**

The Net Asset Values and the issue, conversion and redemption prices of the Shares in any Sub-Fund shall be made public and available at the registered office of the Company. Financial announcements shall be published in "d'Wort".

## **19. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of both the Articles of Incorporation of the Company and the material contracts referred to above are available for inspection during usual business hours at the registered office of the Company in Luxembourg.

A copy of the Articles of Incorporation of the Company and its most recent financial reports and statements may be obtained free of charge upon request at the registered office of the Company.



# APPENDICES TO THE PROSPECTUS

## APPENDIX

relating to the Sub-Fund

### MULTIPLE MANAGERS SICAV – EUROPEAN BOND

**1. Name**

MULTIPLE MANAGERS SICAV – European Bond

**2. Reference Currency**

EUR

The Net Asset Value per Share will be expressed in the currency as the Subscription Price may be paid,

- for the class A in EUR,
- for the class B in USD,
- for the class C in GBP,
- for the class D in EUR.

All currencies other than the Reference Currency will be valued at the medium rate to the EUR.

**3. Offer of Shares**

The Sub-Fund Shares are issued at a Subscription Price corresponding to the Net Asset Value per Share to which shall be added a maximum subscription fee of 5% in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

**4. Minimum Investment**

The minimum amount of an investment in this Sub-Fund shall be set at EUR 75.- for class A and D Shares, the equivalent of EUR 75.- in USD for class B Shares and the equivalent of EUR 75.- in GBP for class C Shares.

**5. Investment Policy**

The Sub-Fund shall seek stable long-term capital growth consistent with the opportunities available in the European capital markets. It is not the Sub-Fund's objective to produce a high level of income.

The Sub-Fund shall invest a minimum of 45% of its net assets in investments denominated in EUR or in Swiss Francs. In addition, the Sub-Fund may invest up to 55% of its net assets in investments denominated in other European currencies. Other "European currencies" are defined as currencies of the other EU Member States as well as Norway. The Directors recognize that the definition of "European currencies" may change over time. In such instances, the Directors will adapt the above list of countries and the Prospectus will be amended accordingly.

The Sub-Fund shall invest in high quality European fixed interest securities and shall hold, on an ancillary basis, cash in the form of regularly noted money-market instruments with a remaining maturity of less than 12 months and deposits. Investments may include deep discount bonds on which capital gains, rather than income will arise.

The Investment Manager shall manage the maturity spectrum and currency exposure of the Sub-Fund, based on its views on interest rate, yield curve and currency developments.

The Investment Manager's strategy shall be based on macro-economic research in order to identify economic trends and interest rate cycles. Furthermore, the Investment Manager shall be responsible for accessing and controlling the credit risk of the portfolio.

The Sub-Fund may deal in financial futures for hedging purposes within the limitations set out in chapter 5 "Risk Management". Investments in these instruments shall not be deemed to supplant other investments in order to achieve excess returns.



### 5.1. *Classes of shares*

Four Classes of Shares have been created in the Sub-Fund as to enable investors with different currency profiles to access to the same underlying portfolio.

#### (i) **"A" Shares**

The "A" Class Shares aim to achieve the investment objective of long-term capital growth.

This Share Class will be fully exposed to fluctuations in the USD exchange rate relative to the European currencies in which the Sub-Fund is invested.

#### (ii) **"B" Shares (USD-hedged Shares)**

The "B" Class Shares (USD-hedged shares) aim to achieve the investment objective of long-term capital growth. To manage the exchange rate risk, this share class may utilise the techniques and instruments as set out in chapter 5 "Risk Management". This Share Class has been established for USD based investors wishing to invest in a European bond portfolio, whilst having their exchange risk rate managed actively.

#### (iii) **"C" Shares (GBP-hedged Shares)**

The "C" Class Shares (GBP-hedged shares) aim to achieve the investment objective of long-term capital growth. To manage the exchange rate risk, this share class may utilise the techniques and instruments as set out in chapter 5 "Risk Management". This Share Class has been established for GBP based investors wishing to invest in a European bond portfolio, whilst having their exchange risk rate managed actively.

#### (iv) **"D" Shares**

The "D" Class Shares aim to achieve the investment objective of long-term capital growth, but also a distribution of income twice every year. The Board of Directors shall decide on the amount and the time of each income distribution.

This Share Class will be fully exposed to fluctuations in the USD exchange rate relative to the European currencies in which the Sub-Fund is invested.

All four Share Classes shall be invested in the same underlying portfolio of securities (the "common portfolio"), the only difference being the application of hedging techniques on "B" and "C" Class Shares in order to minimise the impact of fluctuations in the USD and GBP rates of exchange.

It should be noted that there can be no guarantee that the Class "B" and/or Class "C" Shares would be fully hedged at times when the US Dollar and/or the GB Pound appreciates against the underlying investment currencies of the common portfolio.

### 5.2. *Currency transactions for hedging*

The Sub-Fund may enter into currency futures-, currency options- and forward currency transactions, in order to preserve the value of the individual Class Shares, in their respective currencies of denomination.

### 5.3. *Other hedging transactions*

To further its objectives and only for hedging purposes, the Sub-Fund may make use of derivative instruments. Within the limitations set out in chapter 5 "Risk Management", these instruments may include the purchase or sale of financial futures or forward contracts, the purchase of options on financial futures, and where appropriate, the sale of option contracts if fully covered by investments.

These transactions would generally be entered into to enable the Sub-Fund to efficiently implement its investment policy with regard to market timing. This implies that the Sub-Fund may purchase or sell option contracts or future contracts on securities, stock market indices and interest rates.

In addition, the Sub-Fund may selectively sell or buy call or put options on interest rates or make interest rate swaps on a mutual agreement basis with first class financial institutions specialising in this type of transactions, provided that these positions are fully covered by securities or cash, as appropriate.

The maximum commitment (as defined under 5.1.2.c)) from such purchase and sale transactions, together with the total commitment from the sale of call and put options, may not exceed the Net Asset Value of the Sub-Fund.

It should be noted that the use of derivative instruments is made only for hedging purposes and not for leveraged purposes.



**Investors should be aware that the Sub-Fund, if it makes use of the transactions referred to under the present paragraph, bears an enhanced risk because the hedging effect could have an unfavourable influence on the performance of the Sub-Fund.**

It shall be noted that no assurance can be given that the investment objectives will be achieved.

#### **6. Risk factors**

The Sub-Fund invests in high quality European fixed interest securities. It is positioned towards the lower end of the risk spectrum, with an historical annualized standard deviation of below 4% since launch. The majority of the portfolio is invested in Eurozone government bonds rated AA to AAA, and hence the risk of instrument defaults is relatively low. The Sub-Fund may also invest a smaller portion in investment grade corporate bonds and Eastern European bonds holding an investment grade rating. The inclusion of such assets could increase portfolio risk on the margin.

The Sub-Fund's main risk exposure is to interest rates (capital losses can occur if bond yields rise). Similarly, the Sub-Fund generates capital gains when bond yields fall. The Sub-Fund is predominately invested in Euro denominated instruments, yet will usually also have an allocation to British Pounds, and may have smaller allocations to Scandinavian currencies or Eastern European currencies.

There can be no guarantee that the Sub-Fund will achieve the objective sought from the use of the techniques and instruments as described in the full prospectus of the Fund.

#### **7. Method used for the determination of the global risk**

The global risk of the Sub-Fund shall be determined by using the Commitment Approach.

#### **8. Profile of the typical investor**

The typical investor in the Sub-Fund is looking for a medium term investment in a medium risk fixed income strategy.

#### **9. Type of shares**

The Shares of the Sub-Fund shall be issued in registered form only.

#### **10. Dividends**

Except for "D" Shares, it is the Sub-Fund's policy to reinvest all its revenues and capital gains and not to pay any dividends.

#### **11. Applicable Valuation Day for subscriptions, redemptions and conversions**

The Net Asset Value per Share in the Sub-Fund is calculated every day, which is a Luxembourg bank Business Day.

Applications for subscriptions or redemptions received by the Registrar Agent of the Company in Luxembourg on a Valuation Day before 12.00 a.m., Luxembourg time, shall be dealt with on that Valuation Day at the Subscription Price or the Redemption Price on that Valuation Day. Any applications for subscriptions or redemptions received thereafter will be dealt with on the next Valuation Day.

Conversions requests received by the Registrar Agent of the Company in Luxembourg on a Valuation Day before 12.00 a.m., Luxembourg time, shall be dealt with on the common Valuation Day, Any conversions requests received thereafter will be dealt with on the next common Valuation Day.

#### **12. Investment Manager**

The Board of Directors of the Company is responsible for the overall supervision and control of the Sub-Fund including the determination of its investment policy.

The Board of Directors has appointed INSINGER DE BEAUFORT ASSET MANAGEMENT N.V. as Investment Manager of the Sub-Fund to manage the assets of the Sub-Fund in accordance with the investment policy and the investment restrictions determined by the Board of Directors and disclosed in the present Annexure.

#### **13. Fees and Expenses**

As remuneration for its services, the Investment Manager shall receive from the Company an annual fee at the maximum annual rate of 1.00 % applicable on the average net assets of this Sub-Fund. The actual rate of this investment management fee is disclosed in the financial reports.

The Investment Manager shall not receive any performance fee.



**14. Subscription Fee**

A subscription fee with a maximum of 5% of the applicable Net Asset Value may be charged in favour of the Investment Manager who shall be responsible for rewarding intermediaries for the distribution of the Sub-Fund Shares.

**15. Redemption Fee**

No Redemption Fee shall be levied upon redemption of Sub-Fund Shares.

**16. Conversion Fee**

No conversion fee shall be levied upon conversion of Sub-Fund Shares.

**17. Listing**

The Shares of the Sub-Fund are listed on the Luxembourg Stock Exchange.