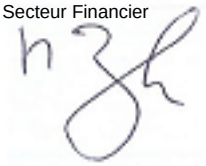

7H

Société d'investissement à capital variable

PROSPECTUS

1 December 2020

IMPORTANT INFORMATION

7H (the "**Company**") offers its shares in various sub-funds ("**Sub-Funds**") as specified in the relevant Appendix.

Due to the special investment strategies provided for in the investment policy of the Company and its several Sub-Funds the investment in 7H is recommended only to investors who may assume a corresponding investment risk.

7H is an open-ended investment company with variable capital *(société d'investissement à capital variable*) incorporated under the laws of the Grand-Duchy of Luxembourg and qualifies as an undertaking for collective investment in transferable securities under Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investments, as amended (the "**2010 Law**"). Shares of the Sub-Funds ("**Shares**") are offered on the basis of the information and representation contained in this prospectus (the "**Prospectus**") or the documents specified herein and no other information or representation relating thereto is authorised.

References in this Prospectus to "**EUR**" are to the legal currency of the European Union.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for Shares should inform themselves as to legal requirements so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Distribution of this Prospectus is not authorised unless it is accompanied by a copy of the key investor information document ("**KIID**") and of the latest available annual report of the Company containing the audited balance-sheet and a copy of the latest half-yearly report, if published after such annual report. The Prospectus and the respective annual and semi-annual reports may be obtained free of charge from all paying agents and sales agencies. The KIID is to be provided prior to any subscription and is available free of charge at the registered office of the Company and on the website *http://www.sevenhills-im.com/funds.html*. It is prohibited to disclose information on the Company, which is not contained in this Prospectus, the KIID, the documents mentioned therein, the latest annual report and any subsequent semi-annual report. The English version of this Prospectus is binding.

The Shares have not been and will not be offered for sale or sold in the United States of America, its territories or possessions and all areas subject to its jurisdiction, except where a transaction does not violate the US Securities Act of 1933, as amended. The articles of incorporation of the Company (the "**Articles**") permit certain restrictions on the sale and transfer of Shares.

The Company draws the investor's 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' meeting, if the investor is registered himself and in his own name in the shareholder's 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.

Personal Data Protection

The Company and the Management Company may store on computer systems and process, by electronic or other means, personal data (i.e. any information relating to an identified or identifiable natural person, hereafter, the "**Personal Data**") concerning the Investors and their representative(s) (including, without limitation, legal representatives and authorised signatories), employees, directors, officers, trustees, settlors, their shareholders, and/or unitholders for, nominees and/or ultimate beneficial owner(s) (as applicable) (i.e. the "**Data Subjects**").

Personal Data provided or collected in connection with an investment in the Company may be processed by the Company and the Management Company, as joint data controllers (i.e. the "**Controllers**") and by the Depositary, the Central Administration Agent who also acts as registrar and transfer agent, the distributor and paying agent if any, the auditor and the legal advisers and other service providers of the Company (including its information technology providers) and, any of the foregoing respective agents, delegates, affiliates, subcontractors and/or their successors and assigns, acting as data processor on behalf of the Company (i.e. the "**Processors**"). The Processors may act as data processor on behalf of the Controllers or, in certain circumstances, as data controller, in particular for compliance with their legal obligations in accordance with applicable laws and regulations (such as anti-money laundering identification) and/or order of competent jurisdiction.

Controllers and Processors shall process Personal Data in accordance with Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (the "**Data Protection Directive**") as transposed in applicable local laws and, when applicable, the Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the "**General Data Protection Regulation**", as well as any applicable law or regulation relating to the protection of personal data (together the "**Data Protection Law**").

Personal Data may include, without limitation, the name, address, telephone number, business contact information, employment and job history, financial and credit history information, current and historic investments, investment preferences and invested amount of Data Subjects and any other Personal Data that is necessary to Controllers and Processors for the purposes described below. Personal Data is collected directly from Data Subjects or may be collected through publicly accessible sources, social media, subscription services, or other third party data sources.

Personal Data may be processed for the purposes of (i) offering investment in Shares and performing the related services as contemplated under this Prospectus the subscription agreement (the "**Subscription Agreement**"), the Depositary Agreement, the Management Company Agreement, and the Central Administration Agent Agreement, including, but not limited to, processing subscriptions and redemptions and providing financial and other information to Investors (ii) direct or indirect marketing activities (such as market research or in connection with investments in other investment fund(s) managed by the Management Company and, (iii) other related services resulting from any agreement entered into between Controllers and a service provider that is communicated or made available to the Shareholders (hereafter the "**Investment Services**"). Personal Data may also be processed to comply with legal or regulatory obligations including, but not limited to, legal obligations under applicable fund and company law (such as maintenance of the register of Investors and recording orders), prevention of terrorism financing law, anti-money laundering law (such as carrying out customer due diligence), prevention and detection of crime, and tax law (such as reporting under the FATCA Law and the CRS Law (as defined in the Tax section of this Prospectus) (as applicable).

Controllers and Processors may collect, use, store, retain, transfer and/or otherwise process Personal Data: (i) on the basis of Investors' consent and/or; (ii) as a result of the subscription of

Shareholders to the Subscription Agreement where necessary to perform the Investment Services or to take steps at the request of Shareholders prior to such subscription, including the holding of Shares in general and/or; (iii) to comply with a legal or regulatory obligation of Controllers or Processors and/or; (iv) in the event the Subscription Agreement is not entered into directly by the concerned Data Subject, Personal Data may be processed for the purposes of the legitimate interests pursued by Controllers or by Processors, which mainly consist in the performance of the Investment Services, or direct or indirect marketing activities, or compliance with foreign laws and regulations and/or any order of a foreign court, government, supervisory, regulatory or tax authority, including when providing such Investment Services to any beneficial owner and any person holding Shares directly or indirectly in the Company.

Personal Data may be disclosed to and/or transferred to and otherwise accessed or processed by Processors, auditors or accountants as well as legal and financial advisers and/or any lender to the Company or related entities (including without limitation their respective general partner or management company and service providers) in or through which the Company intends to invest, as well as any (foreign) court governmental or regulatory bodies including tax authorities,(i.e. the "**Authorised Recipients**"). The Authorised Recipients may act as data processor on behalf of Controllers or, in certain circumstances, as data controller for pursuing their own purposes, in particular for performing their services or for compliance with their legal obligations in accordance with applicable laws and regulations and/or order of court, government or regulatory body, including tax authority. Investors acknowledge that the Authorised Recipients, including the Processors, may be located outside of the European Economic Area ("**EEA**") in countries which do not ensure an adequate level of protection according to the European Commission and where data protection laws might not exist or be of a lower standard than in the EEA.

Controllers undertake not to transfer Personal Data to any third parties other than the Authorised Recipients, except as disclosed to Investors from time to time or if required or permitted by applicable laws and regulations, including Data Protection Law, or by any order from a court, governmental, supervisory or regulatory body, including tax authorities.

By purchasing Shares in the Company, Shareholders acknowledge and accept that Personal Data may be processed for the purposes described above and in particular that all data that will be processed will be processed in the EU.

Controllers may only transfer Personal Data for the purposes of performing the Investment Services or for compliance with applicable laws and regulations as contemplated under this Prospectus.

Controllers may transfer Personal Data to the Authorised Recipients (i) on the basis of an adequacy decision of the European Commission with respect to the protection of personal data and/or on the basis of the EU-U.S. Privacy Shield framework or, (ii) on the basis of appropriate safeguards according to Data Protection Law, such as standard contractual clauses, binding corporate rules, an approved code of conduct, or an approved certification mechanism or, (iii) on the basis of the Investor's explicit consent or, (iv) for the performance of the Investment Services or for the implementation of pre-contractual measures taken at the Investors' request or, (v) for the Processors to perform their services rendered in connection with the Investment Services or, (vi) for important reasons of public interest or, (vii) for the establishment, exercise or defence of legal claims or, (viii) where the transfer is made from a register, which is legally intended to provide information to the public or, (ix) for the purposes of compelling legitimate interests pursued by the Controllers or the Processors, to the extent permitted by Data Protection Law.

In the event the processing of Personal Data or transfer of Personal Data outside of the EEA take place on the basis of the consent of Investors, Data Subjects are entitled to withdraw their consent at any time without prejudice to the lawfulness of the processing and/or data transfers carried out

before the withdrawal of such consent. In case of withdrawal of consent, Controllers will accordingly cease such processing or transfers. However, Investors acknowledge that, notwithstanding any withdrawal of their consent, Controllers may still continue to process and/or transfer Personal Data outside the EEA if permitted by Data Protection Law or if required by applicable laws and regulations. Any change to, or withdrawal of, Data Subjects' consent can be communicated in writing to the Company or the Management Company to the attention of

SevenHills Investment Management Ltd.
Suite 5 Level 4
Portomaso Complex
Portomaso
St Julian's PTM01
Malta

Insofar as Personal Data provided by Investors include Personal Data concerning Data Subjects. Investors represent that they have authority to provide Personal Data of Data Subjects to Controllers. If Investors are not natural persons, they confirm that they have undertaken to (i) inform any Data Subject about the processing of their Personal Data and their rights as described under this Prospectus, in accordance with the information requirements under the Data Protection Law and (ii) where necessary and appropriate, obtained in advance any consent that may be required for the processing of Personal Data as described under this Prospectus in accordance with the requirement of Data Protection Law with regard to the validity of consent, in particular, for the transfer of Personal Data to the Authorised Recipients located outside of the EEA. Controllers may assume, where applicable, that Data Subjects have, where necessary, given such consent and have been informed of the processing and transfer of their Personal Data and of their rights as contemplated under this Prospectus.

Answering questions and requests with respect to Data Subjects' identification and Shares hold in the Company, FATCA and/or CRS is mandatory. Shareholders acknowledge and accept that failure to provide relevant personal data requested by the Company, the Management Company and/or the Central Administration Agent in the course of their relationship with the Company may prevent them from maintaining their Shareholders in the Company and may be reported by the Company, the Management Company and/or the Central Administration Agent to the relevant Luxembourg authorities.

Shareholders acknowledge and accept that the Company, the Management Company and/or the Central Administration Agent will report any relevant information in relation to their investments in the Company to the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, CRS, the CRS Law, at OECD and EU levels or equivalent Luxembourg legislation.

Each Data Subject may request (i) access to, rectification, or deletion of, any incorrect Personal Data concerning him, (ii) a restriction of processing of Personal Data concerning him and, (iii) to receive Personal Data concerning him in a structured, commonly used and machine readable format or to transmit those Personal Data to another controller in accordance with Data Protection Law and (iv) to obtain a copy of or access to the appropriate or suitable safeguards which have been implemented for transferring the Personal Data outside of the EEA, in the manner and subject to the limitations prescribed in accordance with Data Protection Law. In particular, Data Subjects may at any time object, on request and free of charge, to the processing of Personal Data concerning them for marketing purposes or for any other processing carried out on the basis of the legitimate interests of Controllers or Processors. Each Data Subject should address such requests to the Company or the Management Company to the attention of

SevenHills Investment Management Ltd.
c/o Legal and Compliance Officer
Suite 5 Level 4
Portomaso Complex
St Julian's PTM01
Malta

For any additional information related to the processing of their Personal Data, Data Subjects can contact the Legal and Compliance Officer of the Management Company via post mail at Suite 5, Level 4, Portomaso Complex, St Julian's PTM 01 Malta or via email at compliance@sevenhills-im.com.

Shareholders are entitled to address any claim relating to the processing of their Personal Data carried out by Controllers in relation with the Investment Services to the relevant data protection supervisory authority (i.e. in Luxembourg, the *Commission Nationale pour la Protection des Données*).

Controllers and Processors processing Personal Data on behalf of Controllers will accept no liability with respect to any unauthorised third party receiving knowledge of and/or having access to Personal Data, except in the event of proved negligence or wilful misconduct of Controllers or such Processors.

Personal Data is held until Investors cease to have Shares in the Company and a subsequent period of 10 years thereafter where necessary to comply with applicable laws and regulations or to establish, exercise or defend actual or potential legal claims, subject to the applicable statutes of limitation, unless a longer period is required by applicable laws and regulations. In any case, Personal Data will not be held for longer than necessary with regard to the purposes described in this Prospectus, subject always to applicable legal minimum retention periods.

FATCA

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("foreign financial institutions" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Company may be required to collect information aiming to identify its direct and indirect Shareholders that are Specified US Persons for FATCA purposes ("FATCA reportable accounts"). Any such information on FATCA reportable accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Company intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the

Company. The Company will continually assess the extent of the requirements that FATCA and notably the FATCA Law place upon it.

To ensure the Company's compliance with FATCA, the FATCA Law and the Luxembourg IGA, the Company may, acting in good faith and on reasonable grounds, in accordance with the foregoing and to the extent permitted by applicable laws and regulations:

a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of the FATCA registration of shareholders of the Company ("**Shareholders**") with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;

b) report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;

c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to Shareholders with FATCA status of a non-participating foreign financial institution;

d) deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA and the FATCA Law and the Luxembourg IGA; and

e) divulge any such personal information to any immediate payer of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

Reports to the Luxembourg tax authorities require the engagement of a third party agent for transmission.

CONTENTS

1. MANAGEMENT AND ADMINISTRATION

The Company's registered office is at 5, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg.

BOARD OF DIRECTORS

Directors:

Tito Staderini, Director, SevenHills Investment Management Ltd, Suite 5, Level 4, Portomaso Complex, Portomaso, St Julians PTM01, Malta

Franck A. Willaime, Certified Independent Director, Luxembourg, Grand Duchy of Luxembourg

Joachim Kuske, Independent Director, 1, rue Louvigny, L-1946 Luxembourg, Grand Duchy of Luxembourg

MANAGEMENT COMPANY

SevenHills Investment Management Ltd (hereafter the "**Management Company**")

Suite 5, Level 4

Portamaso Complex

Portomaso

St Julians PTM01

Malta

DEPOSITARY AND CENTRAL ADMINISTRATION AGENT

CACEIS Bank, Luxembourg Branch

(hereinafter referred to as "**CACEIS**")

5, allée Scheffer

L-2520 Luxembourg

Grand Duchy of Luxembourg

AUDITORS

PricewaterhouseCoopers, Société coopérative

2, rue Gerhard Mercator

L-2182 Luxembourg

Grand-Duchy of Luxembourg

LEGAL ADVISERS

Elvinger Hoss Prussen

société anonyme

2, Place Winston Churchill

B.P. 425

L-2014 Luxembourg

Grand-Duchy of Luxembourg

2. STRUCTURE

The Company is incorporated in Luxembourg as an investment company with variable capital *(société d'investissement à capital variable* or "**Sicav**"*)* organized under Part I of the 2010 Law. It is organized as an umbrella fund and may comprise various sub-funds (a "**Sub-Fund**"), which distinguish mainly by their specific investment policies and objectives, each relating to a separate portfolio consisting of permitted assets.

The Company issues Shares of various Sub-Funds as specified in the relevant Appendix. The board of directors of the Company (the "**Board of Directors**") may issue additional Sub-Funds. In such case this Prospectus will be updated.

The Board of Directors may issue for each Sub-Fund several classes of Shares with different minimum subscription amounts, dividend policies, fee structures or other different characteristics and which may be denominated in various currencies (a "**Class**"). The relevant Appendix of a Sub-Fund will specify whether Shares are offered in several Classes.

SevenHills Investment Management Ltd, in accordance with article 119 (3) of the 2010 Law and having its registered office at Suite 5, Level 4, Portamaso Complex, Portomaso, St Julians PTM01, Malta, has been appointed to act as the Management Company.

For this purpose, a management company agreement (the "**Management Company Agreement**") was signed between the Company and the Management Company as of 1 December 2020 for an unlimited term from the date of signing of the Management Company Agreement. Either party may terminate the Management Company Agreement upon three months' written notice to the other party.

Under the term of the Management Company Agreement, the Management Company is responsible for the management, the administration and the distribution of the Company's assets but is allowed to delegate, under its supervision and control, all or part of these duties to third parties. In case of changes or appointment of additional third parties, the Prospectus will be updated accordingly.

3. INVESTMENT OBJECTIVES AND POLICY

The Board of Directors shall, based upon the principle of diversification of risks, have power to determine the investment policy for the investments of the Company in respect of each Sub-Fund.

The Sub-Funds will seek to achieve their investment objective and policy as specified in the relevant Appendix by investing mainly in transferable securities and money market instruments subject to the conditions set out in section 5. below.

The assets of each Sub-Fund will be allocated by the Management Company in an optimal way so as to achieve the investment objective and policy of each Sub-Fund. The Management Company will manage the assets of each Sub-Fund, and will be subject to any requirements imposed by the 2010 Law and the Luxembourg supervisory authority (the *Commission de Surveillance du Secteur Financier* or "**CSSF**").

Each Sub-Fund may, at any time, as a temporary measure of capital preservation or for the purpose of liquidity management, invest portions or all of its net assets in money market instruments, deposits and in cash or cash equivalents which are dealt on a regulated market, in accordance with the relevant investment restrictions.

In addition, each Sub-Fund may at all times hold ancillary liquid assets.

In carrying out the investment objectives of the Company, the Company seeks at all times to maintain an appropriate level of liquidity in the assets of the Sub-Funds so that under normal

circumstances redemption of Shares may be made without undue delay upon request by a shareholder of the Company ("**Shareholder**").

Whilst using their best endeavours to reach the Company's investment objectives, the Board of Directors cannot guarantee that these objectives will be achieved. The value of the Shares and the income from them can fall as well as rise and investors may not realise the value of their initial investment. Investors incur the risk to lose all or part of their investment in the Company.

The Board of Directors shall have power to determine, make additions to, or change the investment objective, policy and restrictions of any Sub-Fund, subject to the requirements imposed by the CSSF.

The specific investment objectives and policies of each Sub-Fund are described in the relevant Appendix.

4. RISK FACTORS

4.1 GENERAL INVESTMENT RISK

Prospective investors should be aware of the following risk factors when contemplating whether or not to invest in a Sub-Fund. The following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in a Sub-Fund.

The price of the Shares can go down as well as up. An investor may not get back the amount he has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to a redemption fee or transaction charge.

4.2 EQUITY SECURITIES

Investing in equity securities may offer a higher rate of return than those in short term and long term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

4.3 EXCHANGE RATES

A Sub-Fund may invest in securities denominated in currencies other than the currency of denomination in which the Sub-Fund is denominated; changes in foreign currency exchange rates will affect the value of Shares.

Many emerging countries have experienced substantial currency devaluations relative to the currencies of more developed countries. Derivatives may be used to reduce this risk. Except otherwise specified in the relevant Appendix, the Company will not hedge against currency risk.

4.4 CONTINGENT CONVERTIBLE BONDS RISKS

Contingent convertible bonds, also known as "**CoCos**", are bonds which can, upon the occurrence of a predetermined event (commonly called a "trigger event"), be converted into equity shares of the issuer, potentially at a discounted price, or suffer loss of principle by the issuer decreasing the face value of the bond (trigger level risk). CoCos are generally issued with high yields and are utilised by an issuer as loss absorption instruments. They have no stated maturity, and coupon

payments are discretionary. CoCos can be converted or cancelled at the discretion of the issuer or at the request of a regulatory authority in order for losses to be contained (cancellation risk).

Trigger events can vary widely and include events such as an issuer's capital ratio falling below a pre-set limit, a regulatory authority making a determination that an issuer is "non-viable", or a national authority deciding to inject capital. Trigger events can also be initiated by the management of the issuer which could cause a permanent write-down to zero of principal investment and/or accrued interest (write-down risk). Each CoCo will have its own unique equity conversion or principle write-down features which are tailored to the issuer and it regulatory requirements and can vary widely from bond to bond.

The value of CoCos will be influenced by many factors including (but not limited to):

- the creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios;
- demand and availability of the CoCo;
- general market conditions and available liquidity, especially those in emerging countries (liquidity risk);
- economic, financial and political events that could affect the issuer, its market, or the financial markets in general.

The investments in CoCos may also entail the following risks (non-exhaustive list):

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

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

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

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

Unknown risk: the structure of CoCos is innovative yet untested.

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

4.5 ASSET-BACKED SECURITIES (ABS) AND MORTGAGE-BACKED SECURITIES (MBS)

Certain Sub-Funds may have exposure to a wide range of asset-backed securities (including asset pools in credit card loans, auto loans, residential and commercial mortgage loans, collateralised mortgage obligations and collateralised debt obligations), agency mortgage pass-through securities and covered bonds. The obligations associated with these securities may be subject to greater credit, liquidity and interest rate risk compared to other debt securities such as government issued bonds.

ABS and MBS are securities that entitle the holders thereof to receive payments that are primarily dependent upon the cash flow arising from a specified pool of financial assets such as residential or commercial mortgages, motor vehicle loans or credit cards.

ABS and MBS are often exposed to extension and prepayment risks that may have a substantial impact on the timing and size of the cashflows paid by the securities and may negatively impact the returns of the securities. The average life of each individual security may be affected by a large number of factors such as the existence and frequency of exercise of any optional redemption and mandatory prepayment, the prevailing level of interest rates, the actual default rate of the underlying assets, the timing of recoveries and the level of rotation in the underlying assets.

4.6 DISTRESSED SECURITIES

Securities issued by an issuer that is in default, or in a high risk of default, or the subject of bankruptcy proceedings are considered distressed securities. Investment in these types of securities involve significant risk. A Sub-Fund's investment in securities of an issuer in weak financial condition may include issuers with substantial capital needs or negative net worth or issuers that are, have been or may become, involved in bankruptcy or reorganisation proceedings.

Distressed securities frequently do not produce income while they are outstanding and may require the holders to bear certain extraordinary expenses in order to protect and cover its holding. Typically, an investment in distressed securities will be made when the Management Company believes either that the security is offered at a materially different level from what the Management Company believes to be its fair value, or that it is reasonably likely that the issuer will make an exchange offer or will be subject to a plan of reorganisation, however, there can be no assurance that such an exchange offer will be made, or such a plan of reorganisation will be adopted, or any securities or other assets received in connection with such an exchange offer or reorganisation plan will not have a lower value or income potential than anticipated when the initial investment was made.

Before investing in high yield bonds and on an ongoing basis, the Management Company will analyse whether such bonds are to be considered as distressed securities (or not) as per the definition contained in the first sentence of the first paragraph of this section and will ensure compliance with the investment policy of the relevant Sub-Fund.

4.7 CREDIT RATING DOWNGRADING RISK

The credit rating assigned to a security or an issuer may be re-evaluated and updated based on recent market events or specific developments. As a result, securities may be subject to the risk of being downgraded. Similarly, an issuer having a certain rating may be downgraded, for example, as a result of deterioration of its financial condition. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, a Sub-Fund's investment value in such security may be adversely affected.

Where a security held in a Sub-Fund's portfolio is downgraded, this will trigger a review of the reasons for the downgrade, which may be independent of the economic fundamentals of the instrument. Holdings are assessed on a case-by-case basis at the point of downgrade and a decision made on whether the downgrade represents a reason to discontinue holding the security. All holdings are monitored on an ongoing basis. The Management Company may or may not be able to dispose of the securities that are being downgraded, subject to the investment objectives of the relevant Sub-Fund. In the event that the downgrade of a security triggers the breach of an investment limit disclosed in the investment policy of a Sub-Fund, the Management Company will seek to remedy that situation by selling securities taking due account of the interest of its Shareholders.

4.8 RISKS RELATED TO INVESTMENTS IN REITS

A Sub-Fund will not invest in real property directly but may be subject to risks similar to those associated with the direct ownership of real property (in addition to securities market risks) through its investment in real estate investment trust ("**REITs**"). Investment in REITs will be allowed if they qualify as transferable securities. A closed-ended REIT, the units of which are listed on a Regulated Market is classified as a transferable security listed on a Regulated Market thereby qualifying as an eligible investment for a UCITS under the Luxembourg law.

Real estate investments are relatively illiquid and may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate markets or other conditions. Adverse global economic conditions could adversely affect the business, financial condition and results of operations of REITs. REITs may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than other securities.
The prices of REITs are affected by changes in the value of the underlying property owned by the REITs. Investment in REITs may therefore subject a Sub-Fund to risks similar to those from direct ownership of real property. The prices of mortgage REITs are affected by the quality of any credit they extend, the creditworthiness of the mortgages they hold, as well as by the value of the property that secures the mortgages.

Further, REITs are dependent upon management skills in managing the underlying properties and generally may not be diversified. In addition, certain "special purpose" REITs in which a Sub-Fund may invest may have their assets in specific real property sectors, such as hotel REITs, nursing home REITs or warehouse REITs, and are therefore subject to the risks associated with adverse developments in these sectors.

REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. There is also the risk that borrowers under mortgages held by a REIT or lessees of a property that a REIT owns may be unable to meet their obligations to the REIT. In the event of a default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. On the other hand, if the key tenants experience a downturn in their businesses or their financial condition, they may fail to make timely rental payments or default under their leases. Tenants in a particular industry might also be affected by any adverse downturn in that industry and this may result in their failure to make timely rental payments or to default under the leases. The REITs may suffer losses as a result.

REITs may have limited financial resources and may be subject to borrowing limits. Consequently, REITs may need to rely on external sources of funding to expand their portfolios, which may not be available on commercially acceptable terms or at all. If a REIT cannot obtain capital from external sources, it may not be able to acquire properties when strategic opportunities exist.

Any due diligence exercise conducted by REITs on buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies. Losses or liabilities from latent building or equipment defects may adversely affect earnings and cash flow of the REITs.

These factors may have an adverse impact on the value of the relevant Sub-Fund investing in REITs.

4.9 USE OF DERIVATIVES

While the prudent use of derivatives may be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. A Sub-Fund may engage various investment strategies with a view to reducing certain of its risks and/or enhancing return. These strategies may include the use of derivative instruments such as options,

warrants, swaps, credit default swaps ("**CDS**"), contracts for difference ("**CFD**") and/or futures. Such strategies may be unsuccessful and incur losses for the Fund.

Derivatives also involve specific risks. These risks relate to market risks, management risk, credit risk, liquidity risk, the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, interest rates and indices.

The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing in a Sub-Fund.

- Market Risk

  This is a general risk that applies to all investments, including derivatives, meaning that the value of a particular derivative may go down as well as up in response to changes in market factors. A Sub-Fund may also use derivatives to short exposure to some investments. Should the value of such investments increase rather than fall, the use of derivatives for shorting purposes will have a negative effect on the relevant Sub-Fund's value and in extreme market conditions may, theoretically, give rise to unlimited losses for such Sub-Fund. Should such extreme market conditions occur, investors could, in certain circumstances, therefore face minimal or no returns, or may even suffer a loss on their investment in that particular Sub-Fund.

- Liquidity Risk

  Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, a Sub-Fund will only enter into over-the-counter ("**OTC**") derivatives if it is allowed to liquidate such transactions at any time at fair value).

- Counterparty Risk

  A Sub-Fund may enter into transactions in OTC markets, which will expose such Sub-Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques may be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

- Other Risks

  Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals who often are acting as counterparties to the transaction to be valued.

  Derivatives do not always perfectly or even highly correlate to or track the value of the securities, rates or indices they are designed to track. Consequently, the

Company's use of derivative techniques may not always be an effective means of following a Sub-Fund's investment objective.

- Risks associated with OTC Derivatives

  An OTC derivative is a derivative instrument which is not listed and traded on a formal exchange but is traded by counterparties who negotiate directly with one another over computer networks and by telephone. Transactions in OTC derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. In respect of such trading, a Sub-Fund is subject to the risk of counterparty failure or the inability or refusal by counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the relevant Sub-Fund.

- Risks associated with the Control and Monitoring of Derivatives

  Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to a Sub-Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly. There is no guarantee that a particular forecast will be correct or that an investment strategy which deploys derivatives will be successful.

- Warrants

  A Sub-Fund may invest in equity linked securities or equity linked instruments such as warrants. The gearing effect of investment in warrants and the volatility of warrant prices make the risk attached to the investment in warrants higher than in the case with investment in equities.

- Transactions in Options, Futures and Swaps

  A Sub-Fund may seek to protect or enhance the returns from the underlying assets by using options, futures and swap contracts and by entering into forward foreign exchange transactions in currency. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets and in swap contracts and in currency exchange transactions involves investment risks and transaction costs to which a Sub-Fund would not be subject if such Sub-Fund did not use these strategies. If the Management Company's predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to the Sub-Fund may leave the Sub-Fund in a worse position than if such strategies were not used.

Risks inherent in the use of options, foreign currency, swaps and futures contracts and options on futures contracts include, but are not limited to (a) dependence on the Management Company's ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular instrument at any time; and (e) the possible inability of the Sub-Fund to purchase or sell a portfolio security at a time that otherwise would be favourable for it to do so, or the possible need for the Sub-Fund to sell a portfolio security at a disadvantageous time.

Where a Sub-Fund enters into swap transactions it is exposed to a potential counterparty risk. In case of insolvency or default of the swap counterparty, such event would affect the assets of the Sub-Fund.

- Impact on the performance of the Sub-Fund

  A Sub-Fund may use derivatives and this may involve risks which are different from and possibly greater than the risks associated with investing directly in securities and traditional instruments. Derivatives are subject to liquidity risk, interest rate risk, market risk and default risk. They also involve the risk of improper valuation and the risk that the changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. As a consequence, the Sub-Fund when investing in derivative transactions, may lose more than the principal amount invested, resulting in a further loss to the Sub-Fund.

- Potential Conflicts of Interest

  The Management Company may effect transactions in which it has, directly or indirectly, an interest which may involve a potential conflict with its duty to the Company. The Management Company established, implemented and maintain adequate arrangements aimed at preventing this potential conflict of interest in line with the 2010/43/UE Directive implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interests, conduct of business, risk management and content of the agreement between a depositary and a management company, and more specifically its Article 13 (Personal transactions) and its Chapter 3 (Conflict of interests).

  Where the organisational or administrative arrangements for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of UCITS or of its unit-holders will be prevented, the Management Company shall report those situations to investors by any appropriate durable medium.

4.10 EMERGING AND LESS DEVELOPED MARKETS

In emerging and less developed markets, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Therefore, investing in these markets involves increased risks and special considerations not typically associated with investment in major western jurisdictions, in more developed markets. Some markets may carry higher risks, such as liquidity risks, currency risks/ control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility, for investors who should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable

as part of their portfolio. Investments in emerging and less developed markets should be made only by sophisticated investors or professionals, such as the Investment Manager, who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

In general, the securities markets in the emerging and less developed markets are less developed than the major western securities markets. There is less state regulation and supervision of these securities markets, and less reliable information available to brokers and investors than in the major western markets and consequently less investor protection. Their accounting, auditing and financial reporting standards and requirements in those markets are in many respects less stringent and less consistent than those applicable in many major western countries. Corporate legislation in the emerging and less developed markets regarding the fiduciary responsibility of directors and officers and protection of shareholders is significantly less developed than in the major western jurisdictions and may impose inconsistent or even contradictory requirements on companies. In addition, less information is available to investors investing in securities of companies in those markets and the historic information which is available is not necessarily comparable or relevant to many major western countries.

a) International investing

Investments on an international basis involve certain risks, including:

The value of the assets of a Sub-Fund may be affected by uncertainties such as changes in government policies, taxation, fluctuations in foreign exchange rates, the imposition of currency repatriation restrictions, social and religious instability, political, economic or other developments in the law or regulations of the countries in which a Sub-Fund may invest and, in particular, by changes in legislation relating to the level of foreign ownership in the countries in which a Sub-Fund may invest.

Accounting auditing and financial reporting standards, practices and disclosure requirements applicable to some countries in which a Sub-Fund may invest may differ from those applicable in Luxembourg in that less information is available to investors and such information may be out of date.

A Sub-Fund's assets may be invested in securities denominated in currencies other than the base currency of the Sub-Fund, and any income from these investments will be received in those currencies, some of which may fall against the base currency of the Sub-Fund. A Sub-Fund will compute its net asset value and make any distributions in the base currency of the Sub-Fund. Therefore, if a Sub-Fund's assets are invested in securities denominated in currencies other than the base currency of the Sub-Fund, there will be a currency exchange risk which will affect the value of the Shares and the income distributions paid by a Sub-Fund.

b) Political and economic risk

There is in some emerging market countries, in which certain Sub-Funds may invest, a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the value of investments in those countries. Emerging market countries may also be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries.

The economics of many emerging market countries can be heavily dependent on international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, managed adjustments on relative currency values and other protectionist measures

imposed or negotiated by the countries with which they trade and international economic developments generally.

c) Corporate legislation and jurisprudence

Corporate legislation regarding the fiduciary responsibility of directors and officers and protection of shareholders in emerging and less developed markets is significantly less developed than in the major western jurisdictions and may impose inconsistent or even contradictory requirements on companies. Some rights typically sought by western investors may not be available or enforceable. Also, the legal systems in some emerging and less developed markets have not fully adapted to the requirements and standards of an advanced market economy. The rudimentary state of commercial law, combined with a judiciary which lacks experience and knowledge of market traditions and rules, makes the outcome of any potential commercial litigation unpredictable.

d) Reporting standards

Accounting, auditing and financial reporting standards and requirements in emerging and less developed markets are in many respects less stringent and less consistent than those applicable in many major western countries. Less information is available to investors investing in such securities than to investors investing in securities of companies in many major western countries and the historic information which is available is not necessarily comparable or relevant.

e) Settlement and custodial risk

Settlement and safe custody of securities in certain emerging countries involve certain risks and considerations which do not normally apply when settling transactions and providing safe custody services in more developed countries. The Depositary will not have absolute liability for the acts, omissions or creditworthiness of local agents, depositaries, registrars or brokers involved in the safekeeping or the settlement of the assets of the Company.

f) Legal and regulatory risk

In emerging and less developed markets, the legal, judicial and regulatory infrastructure is still developing but there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets may carry higher risks for investors who should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio. Investments in emerging and less developed markets should be made only by sophisticated investors or professionals who have independent knowledge of the relevant markets, are able to consider and weigh the various risks presented by such investments, and have the financial resources necessary to bear the substantial risk of loss of investment in such investments.

g) Taxation

Taxation of dividends and capital gains received by foreign investors varies among emerging and less developed markets and, in some cases, may be comparatively high. Many emerging and less developed markets purport to offer preferential tax treatment to foreign investors. Such preferences may apply only if a foreign investor’s equity stake in the relevant company exceeds a certain percentage or meets other requirements. The Management Company will take reasonable steps to mitigate the Sub-Fund’s tax liabilities.

h) Currency exposure

Where the Management Company deems it appropriate to invest in companies which earn revenues, have expenses or make distributions in the currency of the relevant emerging or less developed market, currency risks in connection therewith will be borne indirectly by

investors. The potential loss resulting from unfavourable currency risks will be considered when making investments.

4.11 SHANGHAI AND HONG KONG STOCK CONNECT

All Sub-Funds which can invest in China may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes (the "**Stock Connect**") subject to any applicable regulatory limits. The Stock Connect is a securities trading and clearing linked programme developed by Hong Kong Exchanges and Clearing Limited ("**HKEx**"), the Hong Kong Securities Clearing Company Limited ("**HKSCC**"), Shanghai Stock Exchange or Shenzhen Stock Exchange, and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**") with an aim to achieve mutual stock market access between mainland China and Hong Kong. The Stock Connect allows foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchanges listed China A-Shares through their Hong Kong based brokers.

The Sub-Funds seeking to invest in the domestic securities markets of the PRC may use the Stock Connect and, thus, are subject to the following additional risks:

General Risk: The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Sub-Funds. The Stock Connect requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in Hong Kong and Shanghai/Shenzhen markets through Stock Connect could be disrupted.

Clearing and Settlement Risk: The HKSCC and ChinaClear have established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Legal/Beneficial Ownership: Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local Central Securities Depositaries, HKSCC and ChinaClear.

As in other emerging and less developed markets, the legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. In addition, HKSCC, as nominee holder, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or custodian as registered holder of Stock Connect securities would have full ownership thereof, and that those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Fund and the Depositary cannot ensure that the Sub-Funds ownership of these securities or title thereto is assured.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Fund suffer losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Sub-Funds may not fully recover its losses or its Stock Connect securities and the process of recovery could also be delayed.

Operational Risk: The HKSCC provides clearing, settlement, nominee functions and other related services of the trades executed by Hong Kong market participants. PRC regulations which include certain restrictions on selling and buying will apply to all market participants. In the case of sale, pre-delivery of shares are required to the broker, increasing counterparty risk. Because of such requirements, the Sub-Funds may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner.

Quota Limitations: The Stock Connect is subject to quota limitations which may restrict the Sub-Funds ability to invest in China A-Shares through the Stock Connect on a timely basis.

Investor Compensation: The Sub-Funds will not benefit from local investor compensation schemes. Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC market but the Sub-Funds cannot carry out any China A-Shares trading. The Sub-Funds may be subject to risks of price fluctuations in China A-Shares during the time when Stock Connect is not trading as a result.

Investment Risk: securities traded via Shenzhen-Hong Kong Stock Connect may be smaller companies which are subject to smaller companies risk.

4.12 INVESTMENT IN RUSSIA

Investments in Russia are currently subject to certain heightened risks with regard to ownership and custody of securities.

There are significant risks associated with investing in Russia including: (a) delays in settling transactions and the risk of loss arising from the process of registering securities and their custody; (b) the risk that legislation could be changed without reasonable notice, enacted retrospectively or issued by way of internal regulations that the public may not be aware of; (c) risks with regard to ownership and custody, as securities in Russia are evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the Depositary) so a Sub-Fund is at risk of losing its registration and ownership of securities through fraud, negligence or even oversight; and (d) foreign investors cannot be guaranteed redress in a Russian court in the event of a breach of local laws, contracts or regulations and there may be restrictions on foreign investment and the possibility of repatriation of investment income and capital.

5. INVESTMENT RESTRICTIONS

The Company and the Sub-Funds are subject to the "**Investment Restrictions**" set out below. The Company may adopt further investment restrictions in order to conform to particular requirements in the countries where the Shares shall be distributed. To the extent permitted by applicable law and regulation, the Board of Directors may decide to apply more restrictive investment restrictions than those set forth below for any newly created Sub-Fund if this is justified by the specific Investment Policy of such Sub-Fund. Any amendments to the investment

restrictions which relate to a particular Sub-Fund will be disclosed in the relevant Appendix to this Prospectus.

5.1 INVESTMENT INSTRUMENTS

5.1.1 The Company's investments in relation to each Sub-Fund may consist solely of the following investment instruments ("**Investment Instruments**"):

(a) transferable securities and money market instruments admitted to official listing on a stock exchange in an EU member State. A "**Money Market Instruments**" is an instrument normally dealt in on a money market which is liquid and has a value which can be accurately determined at any time;

(b) transferable securities and Money Market Instruments dealt on another Regulated Market in an EU member State. A "**Regulated Market**" is a regulated market, which operates regularly and is recognised and open to the public;

(c) transferable securities and Money Market Instruments admitted to official listing on a stock exchange in a non-EU member State or dealt on another Regulated Market in a non-EU member State provided that such choice of stock exchange or market is in an OECD member State;

(d) new issues of transferable securities and Money Market Instruments, provided that:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market, provided that such choice of stock exchange or market is in an OECD member State;
- such admission is secured within a year of issue;

(e) units of UCITS and/or other collective investment undertakings within the meaning of the first and second indent of Article 1 (2) of the Directive 2009/65/EC as amended ("**UCITS Directive**"), should they be situated in an EU member State or not, provided that:

- such other collective investment undertakings have been authorised under the laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for unitholders in the other collective investment undertakings is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
- the business of the other collective investment undertakings is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the UCITS' or the other collective investment undertakings' net assets, whose acquisition is contemplated, can, according to their fund rules or constitutional documents, be invested in aggregate in units of other UCITS or other collective investment undertakings;

(f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months provided that the credit institution has its registered office in a country which is an EU Member State or if the registered office of the credit institution is situated in a non-EU Member State provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;

(g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market referred to in subparagraphs a), b) and c); and/or OTC derivatives, provided that:

- the underlying consists of instruments covered by this section 5.1.1., financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective as stated in the Prospectus and the relevant Appendix;
- the counterparties to OTC derivative transactions are first class institutions. A "**First Class Institution**" is a first class financial institutions selected by the Board of Directors, subject to prudential supervision and belonging to the categories approved by the CSSF for the purposes of the OTC derivative transactions and specialised in this type of transactions; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative; and/or

(h) Money Market Instruments other than those dealt in on a Regulated Market if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:

- issued or guaranteed by a central, regional or local authority or central bank of an EU member State, the European Central Bank, the EU or the European Investment Bank, a non-EU member State or, in the case of a federal State, by one of the members making up the federation, or by a public international body to which one or more EU member States belong; or
- issued by an undertaking, any securities of which are listed on a stock exchange or dealt in on Regulated Markets referred to in subparagraphs a), b) or c); or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by European Community law, or by an establishment which

is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by European Community law; or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection rules equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which (i) represents and publishes its annual accounts in accordance with Directive 2013/34/EU, (ii) is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or (iii) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

5.1.2 Contrary to the investment restrictions laid down in paragraph 5.1.1. above, each Sub-Fund may:

(a) invest up to 10% of its net assets in transferable securities and Money Market Instruments other than those referred to under paragraph 5.1.1. above; and

(b) hold liquid assets on an ancillary basis. Money Market Instruments held as ancillary liquid assets may not have a maturity exceeding 12 months.

5.2 RISK DIVERSIFICATION

5.2.1 In accordance with the principle of risk diversification, the Company is not permitted to invest more than 10% of the net assets of a Sub-Fund in transferable securities or Money Market Instruments of one and the same issuer. The total value of the transferable securities and Money Market Instruments in each issuer in which more than 5% of the net assets of a Sub-Fund are invested must not exceed 40% of the value of the net assets of the respective Sub-Fund. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

5.2.2 The Company is not permitted to invest more than 20% of the net assets of a Sub-Fund in deposits made with the same body.

5.2.3 The risk exposure to a counterparty of a 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 5.1.1. f); or
- 5% of its net assets, in other cases.

5.2.4 Notwithstanding the individual limits laid down in paragraphs 5.2.1., 5.2.2. and 5.2.3., a Sub-Fund may not combine:

- investments in transferable securities or Money Market Instruments issued by a single body;
- deposits made with a single body; and/or

- exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.

5.2.5 The 10% limit set forth in paragraph 5.2.1. can be raised to a maximum of 25% in case of certain bonds issued by credit institutions which have their registered office in an EU member State and are subject by law, in that particular country, to specific public supervision designed to ensure the protection of bondholders. In particular the funds which originate from the issue of these bonds are to be invested, in accordance with the law, in assets which sufficiently cover the financial obligations resulting from the issue throughout the entire life of the bonds and which are allocated preferentially to the payment of principal and interest in the event of the issuer's bankruptcy. Furthermore, if investments by a Sub-Fund in such bonds with one and the same issuer represent more than 5% of the net assets, the total value of these investments may not exceed 80% of the net assets of the corresponding Sub-Fund.

5.2.6 The 10% limit set forth in paragraph 5.2.1. can be raised to a maximum of 35% for transferable securities and Money Market Instruments that are issued or guaranteed by an EU member State or its local authorities, by another OECD member State, or by public international organisations of which one or more EU member States are members.

5.2.7 Transferable securities and Money Market Instruments which fall under the special ruling given in paragraphs 5.2.5. and 5.2.6. are not counted when calculating the 40% risk diversification ceiling mentioned in paragraph 5.2.1.

5.2.8 The limits provided for in paragraphs 5.2.1. to 5.2.6. may not be combined, and thus investments in transferable securities or Money Market Instruments issued by the same body or in deposits or derivative instruments with this body shall under no circumstances exceed in total 35% of the net assets of a Sub-Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this section 5.2.

A Sub-Fund may invest, on a cumulative basis, up to 20% of its net assets in transferable securities and Money Market Instruments of the same group.

5.3 THE FOLLOWING EXCEPTIONS MAY BE MADE:

5.3.1 Without prejudice to the limits laid down in section 5.6. the limits laid down in section 5.2. are raised to a maximum of 20% for investment in shares and/or bonds issued by the same body if the constitutional documents of the Company so permit, and, if according to the Appendix relating to a particular Sub-Fund the investment objective of that Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

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

The above 20% limit may be raised to a maximum of 35%, but only in respect of a single body, where that proves to be justified by exceptional market conditions in

particular in Regulated Markets where certain transferable securities or Money Market Instruments are highly dominant.

5.3.2 **The Company is authorised, in accordance with the principle of risk diversification, to invest up to 100% of the net assets of a Sub-Fund in transferable securities and Money Market Instruments from various offerings that are issued or guaranteed by an EU member State or its local authorities, by another OECD member State, Singapore or any member state of the G20 or by public international organisations in which one or more EU member States are members. These securities must be divided into at least six different issues, with securities from one and the same issue not exceeding 30% of the total net assets of a Sub-Fund.**

5.4 INVESTMENT IN UCITS AND/OR OTHER COLLECTIVE INVESTMENT UNDERTAKINGS

5.4.1 A Sub-Fund may acquire the units of UCITS and/or other collective investment undertakings referred to in paragraph 5.1.1. e), provided that no more than 20% of its net assets are invested in units of a single UCITS or other collective investment undertaking. If the UCITS or the other collective investment undertakings have multiple compartments (within the meaning of article 181 of the 2010 Law) and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the above limit.

5.4.2 Investments made in units of collective investment undertakings other than UCITS may not exceed, in aggregate, 30% of the net assets of the Sub-Fund.

When a Sub-Fund has acquired units of UCITS and/or other collective investment undertakings, the assets of the respective UCITS or other collective investment undertakings do not have to be combined for the purposes of the limits laid down in section 5.2.

5.4.3 When a Sub-Fund invests in the units of other UCITS and/or other collective investment undertakings that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a direct or indirect interest of more than 10% of the capital or the votes, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or collective investment undertakings and may only levy a reduced management fee of a maximum of 0.25%.

A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or collective investment undertakings shall disclose in its Appendix the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the other UCITS and/or collective investment undertakings in which it intends to invest. In the annual report of the Company it shall be indicated for each Sub-Fund the maximum proportion of management fees charged both to the Sub-Fund and to the UCITS and/or other collective investment undertaking in which the Sub-Fund invests.

5.5 TOLERANCES AND MULTIPLE COMPARTMENT ISSUERS

If, because of market movements or the exercising of subscription rights, the limits mentioned under section 5.1. are exceeded, the Company must have as a priority objective in its sale transactions to reduce these positions within the prescribed limits, taking into account the best interests of the Shareholders.

Provided that they continue to observe the principles of diversification, newly established Sub-Funds may deviate from the limits mentioned under sections 5.2., 5.3. and 5.4. above for a period of six months following the date of their initial launch.

If an issuer of Investment Instruments is a legal entity with multiple compartments and the assets of a compartment may only be used to satisfy the rights of the investors relating to that compartment and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that compartment, each compartment is considered as a separate issuer for the purposes of applying the limits set forth under 5.4.

5.6 INVESTMENT PROHIBITIONS

The Company is prohibited from:

5.6.1 Acquiring equities with voting rights that would enable the Company to exert a significant influence on the management of the issuer in question.

5.6.2 Acquiring more than:

- 10% of the non-voting equities of one and the same issuer;
- 10% of the debt securities issued by one and the same issuer;
- 10% of the Money Market Instruments issued by one and the same issuer; or
- 25% of the units of one and the same UCITS and/or other undertaking for collective investment within the meaning of article 2, paragraph (2) of the 2010 Law.

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

Exempted from the above limits are transferable securities and Money Market Instruments which, in accordance with article 48, paragraph 3 of the 2010 Law are issued or guaranteed by an EU member State or its local authorities, by another member State of the OECD or which are issued by public international organisations of which one or more EU member States are members.

5.6.3 Selling transferable securities, Money Market Instruments and other investment instruments mentioned under sub-paragraphs e) g) and h) of paragraph 5.1.1. short.

5.6.4 Acquiring precious metals or related certificates.

5.6.5 Investing in real estate and purchasing or selling commodities or commodities contracts.

5.6.6 Borrowing on behalf of a particular Sub-Fund, unless:

- the borrowing is in the form of a back-to-back loan for the purchase of foreign currency;
- the loan is only temporary and does not exceed 10% of the net assets of the Sub-Fund in question. Taking into account the possibility of a temporary loan amounting to not more than 10% of the net assets of the Sub-Fund in question, the overall exposure may not exceed 210% of the net assets of the Sub-Fund in question.

5.6.7 Granting credits or acting as guarantor for third parties. This limitation does not refer to the purchase of transferable securities, Money Market Instruments and other investment instruments mentioned under sub-paragraphs e), g) and h) of paragraph 5.1.1. that are not fully paid up.

5.7 RISK MANAGEMENT AND LIMITS WITH REGARD TO DERIVATIVE INSTRUMENTS AND THE USE OF TECHNIQUES AND INSTRUMENTS

5.7.1 The Company must employ (i) a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio and (ii) a process for accurate and independent assessment of the value of OTC derivatives.

5.7.2 Each Sub-Fund shall calculate its global exposure on a daily basis. As regards to the risk profile of the Sub-Funds, unless otherwise indicated for a Sub-Fund, the Management Company will apply a commitment risk management approach..

A Sub-Fund may invest, as a part of its investment policy and within the limit laid down in paragraphs 5.2.7. and 5.2.8., in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 5.2. If a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 5.2.

When a transferable security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this section.

5.8 TECHNIQUES AND INSTRUMENTS FOR HEDGING CURRENCY RISKS

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the Company may enter into foreign exchange transactions, call options or put options in respect of currencies, forward foreign exchange transactions, or transactions for the exchange of currencies, provided that these transactions be made either on a Regulated Market or over-the-counter with First Class Institutions specialising in these types of transactions.

The objective of the transactions referred to above presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency (including a currency bearing a substantial relation to the value of the Reference Currency of a Sub-Fund (usually referred to as "**cross hedging**")) may not exceed the total valuation of such assets and liabilities nor may they, as regards their duration, exceed the period where such assets are held or anticipated to be held or for which such liabilities are incurred or anticipated to be incurred. It should be noted, however, that transactions with the scope of hedging

currencies for single share classes of a Sub-Fund may have a negative impact on the NAV of other share classes of the same Sub-Fund since share classes are not separate legal entities.

5.9 SECURITIES LENDING AND REPO TRANSACTIONS

To the maximum extent allowed by, and within the limits set forth in, applicable Luxembourg regulations, including the 2010 Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions and more particularly the provisions of (i) article 11 of the Grand-Ducal regulation of 8 February 2008 relating to certain definitions of the law of 20 December 2002 on undertakings for collective investment, of (ii) CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments and (iii) the CSSF Circular 14/592 relating to the ESMA Guidelines on ETFs and other UCITS issues (as these pieces of regulations may be amended or replaced from time to time) (the "**Regulations**"), each Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks engage in securities lending transactions as well as in sale with right of repurchase transactions, repurchase and reverse repurchase agreement transactions.

The Company will, for the time being, not enter into repurchase and reverse repurchase agreements, total return swaps nor engage in securities lending transactions or any other securities financing transaction as defined in the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012. Should the Company decide to use such techniques and instruments in the future, the Company will update this Prospectus accordingly and will include requirements under the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

5.10 EXCHANGE TRADED FUNDS (ETFS)

Investment in open-ended or closed-ended exchange traded funds (ETFs) will be allowed if they qualify as (i) UCITS or other UCIs within the meaning of article 41 (1) (e) of the 2010 Law or (ii) transferable securities within the meaning of article 2 of the Grand Ducal Regulation of 8 February 2008, respectively.

5.11 FINANCIAL INDICES

The composition of the underlying index of index-based financial derivative instruments is usually reviewed and rebalanced on a monthly, quarterly or bi-annual basis. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the relevant Sub-Fund.

5.12 CREDIT DEFAULT SWAPS (CDS)

A CDS consists of the transfer of the risk associated with a given borrower (a company or sovereign state) from one of the parties (the buyer of the CDS) to the other party (the seller of the CDS). This results in the net transfer from the seller to the buyer of the risk corresponding to the difference between the nominal value and the market value of the debt security issued by the borrower and underlying the CDS. The transfer takes place only in the event of a payment default by the borrower, which may include, inter alia, its liquidation, its inability to restructure its debts or its inability to make repayments in accordance with the agreed schedule of repayments.

Most CDS contracts are based on a physical settlement, whereby the seller pays the nominal value of the underlying debt security to the buyer in exchange for the delivery of the security. An alternative is to settle the contract against payment, in other words, the

seller pays the difference between the nominal value and the market value to the buyer. In exchange for this protection, the buyer of a CDS regularly pays the seller a premium. Payment default will suspend payment of premiums.

The Company may enter into CDS contracts solely on the basis of standard documents (such as ISDA contracts), and only with leading financial institutions specialised in this type of transaction.

The mark-to-market valuation of this type of instrument shall be carried out whenever the NAV is calculated.

Each Sub-Fund's exposure to CDS, must not exceed the total net value of the assets in its portfolio.

CDS contracts may be entered into:

(a) for hedging purposes: a Sub-Fund may sign CDS contracts to protect itself against specific or general risks related to its credit activity, by purchasing such cover;

(b) for the sound management of the portfolio: a Sub-Fund may sign CDS contracts to acquire general or specific exposure related to its credit activity, in order to achieve its investment objectives.

Exposure to CDS aggregated with other derivatives must be such that the total exposure to all underlying assets never exceeds the maximum limit stipulated in the investment restrictions.

Exposure through CDS contracts sold corresponds to the nominal value underlying the contract whereas exposure through CDS bought corresponds to the value of outstanding premiums payable, discounted to present value.

5.13 COLLATERAL

Where a Sub-Fund enters into OTC financial derivative transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

I. Any collateral received other than cash shall be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions of article 48 of the 2010 Law.

II. Collateral received shall be valued on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.

III. Collateral received shall be of high quality.

IV. The collateral received shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

V. Collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its NAV. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of

derogation, a Sub-Fund may be fully collateralised in different transferable securities and Money Market Instruments issued or guaranteed by a Member State (as defined in the 2010 Law), one or more of its local authorities, OECD member states or a public international body to which one or more Member States belong. In that case the Sub-Fund must receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the NAV of the Sub-Fund.

VI. Where there is a title transfer, the collateral received shall be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

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

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

IX. Cash collateral shall only be:

- placed on deposit with entities as prescribed in section 5.1.1. (f) above;
- invested in high-quality government bonds;
- used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Sub-fund is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the "ESMA Guidelines on a Common Definition of European Money Market Funds".

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

Collateral policy

The Company will, for the time being, not receive collateral when entering into OTC financial derivative transactions and efficient portfolio management techniques to reduce counterparty risk exposure. Should the Company decide to use collateral to reduce counterparty risk exposure, the Company will update this Prospectus accordingly and will comply with CSSF Circular 13/559 relating to the ESMA guidelines on ETFs and other UCITS issues.

6. PROHIBITION OF LATE TRADING AND MARKET TIMING

"**Late Trading**" is understood to be the acceptance of a subscription (or conversion or redemption) order after the applicable cut-off time on the relevant Valuation Day (as defined below) and the execution of such order at a price based on the NAV applicable for such same day. Late Trading is strictly forbidden.

"**Market Timing**" is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts Shares within a short time period, by taking advantage of time differences and/or imperfections of deficiencies in the method of determination of the NAV of a given Sub-Fund. Market Timing practices may disrupt the investment management of the Sub-Fund and harm the performance of the relevant Sub-Fund.

In order to avoid such practices, Shares are issued, redeemed and converted at an unknown price and neither the Company will accept orders received after the relevant cut-off time.

The Company reserves the right to refuse dealing orders with respect to a Sub-Fund by any person who is suspected of Market Timing activities and to take appropriate measures to protect other investors of the Company.

7. ISSUE OF SHARES

7.1. GENERAL

The Board of Directors may decide that the Shares of the different Classes, as specified in the relevant Appendix, be issued in different currencies. The NAV of such additional Classes will be expressed in such reference currency(ies). No hedging techniques will be applied to such Classes unless otherwise provided in the relevant Appendix.

Shares are issued in registered form or on a dematerialised form.

Shares are freely transferable (provided that the Shares are not transferred to a person prohibited to hold Shares or to a person not eligible for investment in the relevant Class). Unless otherwise specified in the relevant Appendix for a given Class, fractions of Shares are issued up to two decimals of a Share.

Ownership of Shares in registered form is evidenced by entry in the Company's register and is represented by confirmation(s) of ownership. A confirmation of ownership will be posted to the relevant Shareholder (or the first named of joint Shareholders) or his/her agent, as directed, at his/her own risk normally within two Luxembourg full bank business days (a "**Business Day**") of receipt by CACEIS of a properly completed application form. Registered Share certificates will only be issued upon specific request of a Shareholder who will bear the cost thereof. Shareholders are allocated a personal account number as stated in the contract note which should be quoted on all further correspondence.

Dematerialised Shares are represented by an entry in the securities account in the name of their owner or holder with an authorised account holder or a provider of settlement services.

If dematerialised Shares are issued, registered Shares may be converted into dematerialised Shares and dematerialised Shares may be converted into registered Shares at the request of the holder of such Shares. A conversion of registered Shares into dematerialised Shares will be effected by cancellation of the registered Share certificate, if any, and by an entry in the securities account in lieu thereof, and an entry shall be made into the register of Shareholders to evidence such cancellation. A conversion of dematerialised Shares into registered Shares will be effected, if applicable, by issuance of a written confirmation or of a registered Share certificate in lieu thereof, and an entry shall be made into the register of Shareholders to evidence such issuance. At the option of the Board of Directors, the costs of any such conversion may be charged to the Shareholder requesting it.

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to, the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements, obligations have been imposed on all professionals of the financial sector in order to prevent the use of undertakings for collective investment from acts of money laundering and financing of terrorism.

As a result of such provisions, the registrar agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber in accordance with

Luxembourg laws and regulations. The registrar agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the Central Administration Agent as delegate of the Company may require any other information that the Company may require in order to comply with its legal and regulatory obligations, including but not limited to the CRS Law (as defined under section 25. "Taxation" below).

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in the event of redemption request payment of redemption proceeds may be delayed. Neither the Company, the Management Company nor the Central Administration Agent have any liability for delays or failure to process deals resulting from not providing documentation or providing incomplete documentation.

From time to time, shareholders may be asked to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

7.2. PURCHASE OF SHARES

The Company has the right to reject any application in whole or in part. If an application is rejected, the application monies or balance thereof will be returned at the risk of the applicant within two Business Days of rejection by cheque or, at the cost of the applicant, by wire transfer. In addition, the Board of Directors reserves the right to suspend the issue of Shares at any time.

Shares of any Sub-Fund will not be issued by the Company during any period when the calculation of the NAV per Share of such Sub-Fund is suspended.

Further, the Board of Directors reserves the right to postpone applications for Shares to a later Valuation Day if it is in the best interest of existing Shareholders. Subscriptions are handled on a first come, first served basis except in case of termination of the suspension of NAV computation. In this event, an investor may withdraw his application for subscription.

The Board of Directors has imposed minimum initial investment amounts ("**Minimum Initial Investment**") for each Class of a Sub-Fund which are described in the relevant Appendix.

Further, unless otherwise specified in the relevant Appendix:

- each Shareholder must subscribe on or after the launch date of the relevant Sub-Fund to a minimum number of Shares corresponding to EUR 10,000 or the same nominal amount in the relevant Class currency ("**Minimum Subsequent Subscription Amount**"); and
- each Shareholder duly registered in the register of Shareholders must hold at any time a minimum number of Shares corresponding to the Minimum Initial Investment or the same nominal amount in the relevant Class currency ("**Minimum Holding Amount**").

The Board of Directors may at its discretion waive these minimum requirements.

7.3. PROCEDURE FOR APPLICATION AND METHODS OF PAYMENT

Unless otherwise specified in the relevant Appendix for a given Class, applications must be received by CACEIS on any Valuation Day (as defined under section 23.) before 12:00 noon (Luxembourg time). The NAV applicable to such orders will be calculated on the next

NAV Calculation Day (as defined under section 23.). Any request received thereafter will be dealt with on the next following Valuation Day.

Cleared monies in that respect must also be received by the Depositary or by a correspondent bank to its order within three (3) Business Days from the relevant Valuation Day.

If applications and settlement relating thereto are received thereafter, applications will be dealt with on the next following Valuation Day.

The Shares are issued at the applicable NAV per Share of the relevant Sub-Fund or Class, plus a subscription charge calculated on the applicable NAV per Share which may be applied (the "**Subscription Price**"). The subscription charges, if applicable, are specified in the relevant Appendix.

Investors located outside Luxembourg may be subject to additional fees besides the subscription charge, redemption charge and conversion charge that may be specified in the relevant Appendix. Any such additional fees shall be set out in the relevant subscription documentation and one-month notice will be given to the relevant Shareholders prior to the implementation of such fees.

First applications should be made on the standard application form sent by fax to CACEIS which must be confirmed immediately by letter. The written request or written confirmation should contain the names, registered address of the Shareholder(s) as well as the identification documents required under section 7.1. above. Subsequent applications can be made by fax only. After a subscription has been accepted, contract notes confirming the details of such subscription are posted to Shareholders.

7.4. METHOD OF PAYMENT

Payment of the Subscription Price should be made in cash denominated in the reference currency of the relevant Sub-Fund or Class to the Depositary or its relevant correspondent bank(s) into which settlement monies are paid quoting the applicant's name and stating the appropriate Sub-Fund and Class (if applicable). Details of the relevant correspondent bank(s) are given on the application form or can be obtained from CACEIS.

The Subscription Price may, upon approval of the Board of Directors, and subject to all applicable laws, namely with respect to a special audit report from the auditors of the Company confirming the value of any assets contributed in kind, be made by contributing to the Company securities acceptable to the Board of Directors consistent with the investment policy and investment restrictions of the relevant Sub-Fund. The costs of such report shall be borne by the relevant investor.

8. REDEMPTION OF SHARES

8.1. REDEMPTION REQUESTS

The Shareholders shall have the right to present their Shares for redemption to the Company on each Valuation Day.

Unless otherwise specified in the relevant Appendix for a given Class, applications for redemption must be received by CACEIS prior to 12:00 noon (Luxembourg time) on the relevant Valuation Day. The NAV per Share applicable to such order will be the NAV calculated on the next NAV Calculation Day. Any request received thereafter will be dealt with on the next following Valuation Day.

The Shares are redeemable at the applicable NAV per Share minus a redemption fee (if applicable) as specified in the relevant Appendix (the "**Redemption Price**").

As stated above, the investors located outside Luxembourg may be subject to additional fees besides the subscription charge, redemption charge and conversion charge that may be specified in the relevant Appendix. Any such additional fees shall be set out in the relevant subscription documentation and one-month notice will be given to the relevant Shareholders prior to the implementation of such fees.

If compliance with redemption instructions would result in a residual holding in any one Sub-Fund of less than the minimum holding (if applicable), the Company reserves the right to compulsorily redeem the residual Shares at the current Redemption Price and make payment of the proceeds thereof to the Shareholder.

8.2. REDEMPTION PROCEDURE

Redemption requests should be made to CACEIS by fax and must include the number of Shares or the amount to be redeemed relating to each Sub-Fund and Class (if applicable), the names and personal account number(s) of the Shareholder(s) and any special instructions for dispatch of the redemption proceeds. Contract Notes confirming details of the repurchase are posted to Shareholders as soon as the transaction has been effected.

8.3. PROCEDURE FOR PAYMENT OF REDEMPTION PROCEEDS

On receipt of the relevant documents CACEIS will dispatch the Redemption Price normally in the designated currency of the Sub-Fund to which the Shares relate, normally within five Business Days after the relevant NAV Calculation Day.

The payment of the Redemption Price is carried out at the risk and costs of the Shareholder.

Requests for redemption once made may only be withdrawn in the event of a suspension or deferral of the right to redeem Shares of the relevant Sub-Fund. In the event of a suspension of redemptions, a withdrawal of redemption requests will be effective only if written notification is received by CACEIS before the termination of the period of suspension. If the request is not withdrawn the redemption will be made on the Valuation Day following the end of the suspension.

At a Shareholder's request, the Company may elect to make an in specie redemption subject to a special report from the Company's auditors, having due regard to the interests of all Shareholders, to the country of issue, to the liquidity and to the marketability and the markets on which the investments are dealt in and to the materiality of investments. The costs of such report shall be borne by the relevant Shareholder.

The Board of Directors may also decide to redeem all Shares of a Sub-Fund or the Shares of all Sub-Funds in certain events and under certain conditions as described in section 20. hereafter.

8.4. DEFERRAL OF REDEMPTIONS AND CONVERSIONS

The Company, having regard to the fair and equal treatment of Shareholders, upon receiving requests to redeem or convert Shares amounting to 10% or more of the total number of Shares then in issue in any Sub-Fund shall not be bound to redeem or convert on any Valuation Day more than 10% of the number of Shares relating to any Sub-Fund then in issue. If the Company receives requests on any Valuation Day for redemption or conversion of a greater number of Shares, it may declare that such redemptions or conversions are deferred until the next following Valuation Day. On such Valuation Day

such requests for redemption or conversion will be complied with in priority to later requests.

Payment of redemption proceeds may be delayed in case of foreign exchange or similar restrictions, or in case of any circumstances beyond the Company's control which make it impossible or impractical to transfer the redemption proceeds to the country where the redemption proceeds are to be paid.

9. CONVERSION OF SHARES

Unless otherwise specified in the relevant Appendix for a given Class, Shares relating to one Class may only be converted into Shares relating to another Class of the same Sub-Fund.

The Shareholders shall have the right to present their Shares for conversion to the Company on each Valuation Day.

Unless otherwise specified in the relevant Appendix for a given Class, applications must be received by CACEIS on any Valuation Day before 12:00 noon (Luxembourg time) on the relevant Valuation Day. The NAV applicable to such orders will be calculated on the next NAV Calculation Day (as defined under section 23.). Any request received thereafter will be dealt with on the next following Valuation Day.

Conversion is subject to the respect of any minimum holding and/or initial investment amounts and/or any other requirements applicable to a specific Sub-Fund or Class.

If compliance with conversion instructions would result in a residual holding in any one Sub-Fund or Class of less than the minimum holding (if applicable), the Company may compulsorily redeem the residual Shares at the Redemption Price ruling on the relevant Valuation Day and make payment of the proceeds to the Shareholder.

The conversion will be made in accordance with the formula set out below. The basis of conversion is related to the respective NAVs per Share of the two Sub-Funds or Classes concerned. The number of Shares into which the Shareholder wishes to convert his existing Shares will be determined in accordance with the following formula:

$$A = \frac{(BxC) \times E}{D}$$

Where:

A = is the number of Shares relating to the new Class to which the Shareholder shall become entitled;

B = is the number of Shares relating to the original Class specified in the conversion notice which the Shareholder has requested to be converted;

C = is the NAV per Share of the original Class;

D = is the NAV per Share of the new Class;

E = is the currency conversion rate on the relevant Valuation Day.

Fractions of Registered Shares are issued on conversion up to two decimals of a Share.

An application should include the number of Shares to be converted, the original Class (if applicable), the new Class (if applicable) into which conversion is to be made and the name of the Shareholder and his relevant personal account number.

Conversion requests may be made by fax instructions.

If a conversion charge is to be levied, the level thereof will be disclosed in the relevant Appendix.

As stated above, the investors located outside Luxembourg may be subject to additional fees besides the subscription charge, redemption charge and conversion charge that may be specified in the relevant Appendix. Any such additional fees shall be set out in the relevant subscription documentation and one-month notice will be given to the relevant Shareholders prior to the implementation of such fees.

Confirmation(s) of ownership are issued from Luxembourg in accordance with the normal issue and redemption procedures.

10. PRICES OF SHARES

Shares of each Sub-Fund and Class will initially be issued during an initial offering period at an initial price of subscription.

After the initial offering period, Shares are issued, redeemed or converted on the basis of the NAV per Share of the relevant Sub-Fund or Class in its designated currency calculated for each Valuation Day.

The NAV per Share is calculated up to two decimals.

In certain circumstances (as described in section 24. hereafter) NAV determinations may be suspended and during any such period of suspension no Shares relating to the Sub-Fund to which the suspension applies may be issued, converted or repurchased.

The NAV per Share of each Sub-Fund and Class for each Valuation Day are available at the registered office of the Company and may be published in one or several newspapers, as decided by the Board of Directors or imposed due to the distribution of Shares in one or several jurisdictions at the frequency determined by the Board of Directors.

11. DIVIDENDS

The Board of Directors may declare or propose to the Shareholders of each Sub-Fund the payment of a dividend out of all or part of the net income or capital gains of such Sub-Fund.

In such case, dividend payments will be made in the reference currency of the relevant Sub-Fund or Class. If dividends are not collected within 5 years from the date of declaration, the Company is entitled to declare the dividend forfeited for the benefit of the Company.

Unless otherwise stated in the relevant Appendix, the current policy of the Board of Directors is to reinvest any dividends collected by the Company in further shares of the relevant Sub-Fund and Class (if applicable).

12. FEES AND COSTS

The Management Company shall be entitled for the provision of the management company services and investment management services rendered to the Company, to receive an annual fee (the "**Management Fee**") as specified in the relevant Appendix, based on the NAV of the respective Sub-Fund or Class.

Such fee is calculated and accrued on each Valuation Day and paid monthly in arrears.

CACEIS in its function as depositary and central administration agent shall receive from the Company the fees specified in sections 16. and 17. hereafter.

In addition to the fees payable to the Management Company, the Company pays or instructs CACEIS to pay costs arising from the business activities of the Company. These include, inter alia, the following costs: costs for the operational management and oversight of the business activities of the Company, taxes, legal and auditing services, the purchase and sale of securities, public charges, powers in relation to the convening of the general meeting of Shareholders, Share certificates, reports and prospectuses, sales and marketing measures as well as further distribution support, the issue and redemption of Shares, the payment of dividends, paying agents (if any) and representatives, registration, reports to the relevant supervisory authorities, fees and expenses of the Board of Directors, insurance premiums, interest, stock exchange listing fees and brokerage fees, reimbursement of expenses of the Depositary and all other parties contractually bound to the Company, the calculation and publication of the NAV per Share and the Share prices.

Investors should note that in certain jurisdictions where the Shares may be offered (including Italy), investors may be given the possibility to invest through investment plans that allow the periodic/recurrent subscription/ redemption/ conversion of Shares, and/or to confer a mandate for nominee services to local agents (including the local paying agent(s)), and/or may incur additional charges or fee levied by local paying agents for their payment intermediation services. Such charges and fees will be at standard market level. Details of such facilities/additional charges (if any) are provided in the local offering documents. The charges and fees incurred because of the subscription to such investment plans cannot be higher than one third (1/3) of the amounts subscribed during the first year.

All fees, costs and expenses payable by the Company will first be charged against income and any remaining amounts will be charged against capital.

Each Sub-Fund is liable for the costs or expenses attributable to it. Costs and expenses not attributable to a particular Sub-Fund are allocated between the Sub-Funds on an equitable basis pro-rata to their respective NAV.

Each Sub-Fund is only liable for the liabilities attributable to it. Further, for the purpose of the relations between Shareholders, each Sub-Fund is deemed to be a separate entity.

The costs and expenses incurred in connection with the formation and registration of the Company as a UCITS in Luxembourg and elsewhere and the offer of Shares, including, all legal and printing costs and other preliminary expenses were estimated at EUR 112,000 and were borne by the Company and were amortized over a period of five years following the incorporation of the Company. The expenses related to the creation and launch of additional Sub-Funds will be borne by such Sub-Funds.

The total costs and fees incurred by a particular Sub-Fund are computed periodically and details thereof can be obtained from the Company upon request.

13. THE COMPANY

13.1 INCORPORATION AND REGISTRATION

The Company was incorporated on 13 April 2006 as a *société anonyme* qualifying as a *société d'investissement à capital variable* in the Grand Duchy of Luxembourg, with an initial capital of EUR 300,000 for an unlimited period and qualifies as an undertaking for collective investment in transferable securities ("**UCITS**") under Part I of the 2010 Law. It is registered under Number B-115.479 at the *Registre de Commerce et des Sociétés* where its Articles are available for inspection and where copies thereof may be obtained upon request.

The Articles have been published in the Luxembourg legal gazette, the *Mémorial C, Recueil des Sociétés et Associations* (the "**Mémorial**") on 28 April 2006 and lastly amended on 30 November 2015 with effect from 1 December 2015.

13.2 CAPITAL

The share capital of the Company is represented by fully paid Shares of no par value and is at any time equal to the NAV which is the aggregated sum of the NAV of all the Sub-Funds. The minimum capital required by the 2010 Law is EUR 1,250,000.

14. THE MANAGEMENT COMPANY

The Management Company has been incorporated under the laws of Malta as a limited liability company on 13 August 2014 in Malta for an unlimited period of time registered and regulated with the Malta Financial Services Authority ("**MFSA**"). SevenHills Investment Management Ltd holds a management company licence issued by the MFSA.

Its board members are for the time being the following ones: Tito Staderini, Joseph Raymond Aquilina, Yaniv Matatyahu and Ivan Cini

The Management Company also provides its services for other undertakings for collective investment in transferable securities. The list of these other undertakings for collective investment is available upon request.

The Management Company applies a remuneration policy (the « Policy ») within the meaning of article 14(b) of the UCITS Directive and in accordance with the principles laid down in article 14(c) of the UCITS Directives. The Policy aims among others to prevent risk taking which is incompatible with a sound and effective risk management, with the business strategy, the objectives, the values and the interests of the Management Company or the Company, with the interests of the Shareholders of the Company, to avoid potential conflicts of interests and to decorrelate the decisions relating to control operations, from the performances obtained. The Policy includes an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Company in order to ensure that the assessment process is based on the long-term performance of the Company and its investment risks. The variable remuneration component is also based on a number of other qualitative and quantitative factors. The Policy contains an appropriate balance of fixed and variable components of the total remuneration.

This Policy is adopted by the board of directors of the Management Company, who is also responsible for its implementation and supervision. The Policy applies to any kind of benefit paid by the Management Company, as well as to any amount paid directly by the Company itself, including performance fees (if any), and to any transfer of Shares, made in favour of a category of staff covered by the Policy.

The general principles of the Policy are reviewed by the board of directors of the Management Company at least annually and are based on the size of the Management Company and/or on the size of the UCITS it manages.

The details of the up-to-date Policy are available on the website *http://www.sevenhills-im.com/funds.html*. The remuneration policy may be obtained free of charge on request from the Management Company

15. THE DEPOSITARY

CACEIS Bank, Luxembourg Branch, established at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310

is acting as depositary of the Company (the "**Depositary**") in accordance with a depositary agreement dated effective as of 1 December 2020, as amended from time to time (the "**Depositary Agreement**") and the relevant provisions of the 2010 Law as well as UCITS Directive and any derived or connected EU or national act, statute, regulation, circular or binding guidelines (the "**UCITS Rules**").

CACEIS Bank, Luxembourg Branch is acting as a branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Paris.

CACEIS Bank is an authorised credit institution supervised by the European Central Bank ("**ECB**") and the *Autorité de Contrôle Prudentiel et de Résolution* ("**ACPR**"). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

Investors may consult upon request at the registered office of the Company, the Depositary Agreement to have a better understanding and knowledge of the limited duties and liabilities of the Depositary.

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Funds' assets, and it shall fulfil the obligations and duties provided for by Part I of the 2010 Law. In particular, the Depositary shall ensure an effective and proper monitoring of the Company' cash flows.

In due compliance with the UCITS Rules the Depositary shall:

(i) ensure that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;

(ii) ensure that the value of the Shares is calculated in accordance with the UCITS Rules, the Articles and the procedures laid down in the UCITS Directive;

(iii) carry out the instructions of the Company, unless they conflict with the UCITS Rules, or the Articles;

(iv) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and

(v) ensure that an Company's income is applied in accordance with the UCITS Rules and the Articles.

The Depositary may not delegate any of the obligations and duties set out in (i) to (v) of this clause.

In compliance with the provisions of the UCITS Directive, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to correspondents/ third party custodians as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the 2010 Law.

A list of these correspondents/third party custodians is available on the website of the Depositary (www.caceis.com, section "*veille règlementaire*"). Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are

also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Company, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Company's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

(i) identifying and analysing potential situations of conflicts of interest;

(ii) recording, managing and monitoring the conflict of interest situations either in:

(iii) relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or

(iv) implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its UCITS depositary functions and the performance of other tasks on behalf of the Company, notably, administrative agency and registrar agency services.

The Company and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The Company may, however, dismiss the Depositary only if a new depositary bank is appointed within two months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Compartments have been transferred to the new depositary bank.

The Depositary has no decision-making discretion nor any advice duty relating to the Company's investments. The Depositary is a service provider to the Company and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Company.

In consideration of the services rendered, the Depositary receives a fee based on the NAV of the Company, payable monthly in arrears. In addition, the Depositary is entitled to payment of its ordinary and reasonable out-of-pocket expenses.

16. THE CENTRAL ADMINISTRATION AGENT

CACEIS has also been appointed central administration agent of the Company (the "**Agent**"). The Central Administration Agent will carry out all administrative duties related to the administration of the Company ("**Central Administration Duties**"), including the issue and redemption of Shares, the calculation of the NAV of the Shares and the provision of accounting services of the Company. The Central Administration Agent also acts as the registrar and transfer agent of the Company and in such capacity it processes all subscriptions, redemptions and transfers of Shares and registers these transactions in the share register of the Company.

The relationship between the Company, the Management Company and the Central Administration Agent is subject to the terms of a central administration agreement between the Company, the

Management Company and the Central Administration Agent dated as of as of 1 December 2020 (the "**Central Administration Agreement**"). The Central Administration Agreement may be terminated by either party upon three months prior written notice.

CACEIS is empowered to delegate, under its full responsibility, all or part of its duties as Central Administration Agent to a third Luxembourg entity, with the prior consent of the Management Company.

In consideration of the services rendered, the Central Administration Agent receives a fee based on the NAV of the Company, payable monthly in arrears. In addition, the Central Administration Agent is entitled to payment of its ordinary out-of-pocket expenses.

17. DISTRIBUTION, MARKETING

In the performance of its marketing duties, the Management Company may be assisted for the Company or/and each Sub-Fund by selling agent(s), distributor(s), according to the respective marketing policy(ies) objectives determined by the Board of Directors.

18. THE AUDITORS AND LEGAL ADVISER

The Company's approved statutory auditor (*réviseur d'entreprises agréé*) is PricewaterhouseCoopers, Société Coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg.

The legal adviser of the Company in Luxembourg is the law firm Elvinger Hoss Prussen, 2, Place Winston Churchill, B.P. 425, L-2014 Luxembourg.

19. TERMINATION AND AMALGAMATION OF SUB-FUNDS

In the event that for a period of more than 10 consecutive Dealing Days the NAV of the Company is less than EUR 10 million or in case the Board of Directors deems it appropriate because of changes in the economic or political situation affecting the Company, or if the Board of Directors deems it to be in the best interests of the Shareholders, the Board of Directors may, by giving notice to all holders of Shares, redeem on the next Dealing Day following the expiry of such notice period all (but not some) of the Shares not previously redeemed, at the NAV which shall reflect the anticipated realisation and liquidation costs but with no redemption charge. In such case, the Directors shall forthwith convene an extraordinary Shareholders' meeting to appoint a liquidator to the Company.

In the event that the NAV of any particular Sub-Fund is less than EUR 5 million or the equivalent in the reference currency of a Sub-Fund, or in case the Board of Directors deems it appropriate because of changes in the economic or political situation affecting the relevant Sub-Fund or if the Board of Directors deems it to be in the best interest of the Shareholders concerned, the Board of Directors may, after giving notice to the Shareholders concerned, redeem all (but not some) of the Shares of that Sub-Fund on the Dealing Day provided in such notice at the NAV reflecting the anticipated realisation and liquidation costs on closing of the relevant Sub-Fund, but without any redemption charge. Owners of registered Shares shall be notified in writing and the Company shall inform holders of dematerialised Shares by publication of a notice in one or more Luxembourg newspapers and in one or more national newspapers in the countries where the Shares are distributed to be determined by the Board of Directors.

Termination of a Sub-Fund with compulsory redemption of all relevant Shares for other reasons than set out in the preceding paragraphs, may be effected only upon a decision by the Shareholders of the Sub-Fund to be terminated at a duly convened general meeting of the Sub-

fund concerned which may be validly held without quorum and decided by a simple majority of the Shares present or represented.

The Board of Directors may decide to merge one or more Sub-Funds with another Sub-Fund, or with another undertaking for collective investment or a sub-fund thereof registered pursuant to Part I of the 2010 Law or another UCITS legislation. Any merger of a Sub-Fund shall be subject to the provisions on mergers set forth in the 2010 Law and any implementing regulation.

Where the Board of Directors determines that the decision should be put for Shareholders' approval, the decision to merge a Sub-Fund may be taken at a meeting of Shareholders of the Sub-Fund to be merged instead of being taken by the Directors. At such Sub-Fund meeting, no quorum shall be required and the decision to merge must be approved by Shareholders holding at least a simple majority of the Shares present or represented. In case of a merger of one or several Sub-Fund(s) of the Company where, as a result, the Company ceases to exist, the merger shall be decided by a meeting of Shareholders resolving by a simple majority of the votes cast by Shareholders present or represented, without quorum.

Liquidation proceeds not claimed by Shareholders at the close of liquidation of a Sub-Fund will be deposited on or around the closure date with the *Caisse de Consignation* in Luxembourg and shall be forfeited after thirty years.

20. DISSOLUTION OF THE COMPANY

If at any time the capital of the Company falls below two thirds of the minimum capital required by Luxembourg law, the Board of Directors must submit the question of dissolution of the Company to a general meeting of Shareholders acting, without quorum requirements, by a simple majority decision of the Shares present or represented at such meeting.

If at any time the capital of the Company is less than one quarter of the minimum capital required by Luxembourg law, the Board of Directors must submit the question of dissolution of the Company to a general meeting of Shareholders, acting without quorum requirements and a decision to dissolve the Company may be taken by the Shareholders owning one quarter of the Shares represented at such meeting.

If the Company shall be voluntarily liquidated, its liquidation will be carried out in accordance with the provisions of the 2010 Law. The net proceeds of liquidation corresponding to each Sub-Fund shall then be distributed by the liquidators to the Shareholders of the relevant Sub-Fund in proportion to their holding of Shares in such Sub-Fund. Monies to which Shareholders are entitled will, unless claimed prior to the close of the liquidation which shall occur in principle within 9 months unless otherwise agreed with the CSSF, be deposited at the *Caisse de Consignation* in Luxembourg to be held on their behalf. Amounts not claimed from escrow within the prescription period would be liable to be forfeited in accordance with the provisions of Luxembourg law.

21. CLASS RIGHTS AND RESTRICTIONS

(a) Shares are divided into classes designated by reference to the Sub-Fund to which they relate. They have no preferential or pre-emption rights and are freely transferable, except as referred to below.

(b) The Board of Directors may impose or relax restrictions on any Shares or on any Sub-Fund and if necessary require transfer of Shares, as they may think necessary to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of a provision in this Prospectus, the law or requirements of any country or governmental or regulatory authority, or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under any securities or

investment or similar laws or requirements of any country or authority. The Board of Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether he is the beneficial owner of the Shares which he holds.

(c) Specific rights relating to the Shares of a specific Sub-Fund may only be varied by way of a resolution passed at a separate general meeting of the Shareholders of such Sub-Fund by a majority of two thirds of the votes cast. The provisions of the Articles relating to general meetings of Shareholders shall mutatis mutandis apply to such separate general meetings. Two or more Sub-Funds may be treated as a single Sub-Fund if such Sub-Funds would be affected in the same way.

22. NET ASSET VALUE DETERMINATION

A. Unless specifically provided otherwise in the relevant Appendix for a specific Class of a Sub-Fund, the NAV of each Class shall be calculated on each Business Day (each a "**Valuation Day**").

B. The NAV is calculated on the Business Day following the relevant Valuation Day ("**NAV Calculation Day**").

C. Each Sub-Fund is valued for each Valuation Day on the basis of the rules set forth hereafter, it being understood that the Board of Directors is empowered to take into account any material change, which may have occurred since the relevant Valuation Day and which relate to prices in the markets on which a substantial portion of the investments of the Company attributable to a particular Sub-Fund is dealt or quoted in order to safeguard the interests of the Shareholders and the Company.

D. The NAV of each Sub-Fund is determined by aggregating the value of securities and other permitted assets of the Company allocated to that Sub-Fund and by deducting the liabilities of the Company allocated to that Sub-Fund.

For this purpose:

(a) the assets of the Company shall be deemed to include:

(i) all cash in hand or receivable or on deposit, including accrued interest;

(ii) all bills and notes payable on demand and any amounts due (including the price of securities sold but not yet collected);

(iii) all securities, shares, bonds, debentures, share or units of funds and any other investments and securities belonging to the Company;

(iv) all dividends and distributions due to the Company in cash or in kind to the extent known to the Company; the Company may however adjust the valuation to check fluctuations in the market value of securities due to trading practices such as trading ex-dividend or ex-rights;

(v) all accrued interest on securities held by the Company except to the extent such interest is comprised in the principal thereof; and

(vi) all other assets of every kind and nature, including prepaid expenses;

(b) the liabilities of the Company shall be deemed to include:

(i) all borrowings, bills and other amounts due, including accrued interest and accrued fees;

(ii) all administrative expenses due, including the fees payable to the Depositary, the Central Administration Agent, the investment manager of the Company and any other representatives and agents of the Company;

(iii) all known liabilities, due or not yet due and the amount of all dividends declared by the Company for which no coupons have been presented and which therefore remain unpaid until the day these dividends revert to the Company by prescription;

(iv) an appropriate amount set aside for taxes as at the date of the valuation and any other provisions or reserves authorised and approved by the Board of Directors; and

(v) any other liabilities of the Company of whatever kind towards third parties.

For the purposes of the valuation of its liabilities, the Company may take into account all administrative and other expenses with a regular or periodical character by valuing them for the entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.

E. The assets of each Class within each Sub-Fund are valued as of the Valuation Day, as defined in the relevant Annex, as follows:

(i) shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available net asset value which is calculated prior to such Valuation Day. In the case where events have occurred which have resulted in a material change in the net asset value of such shares or units since the last net asset value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors, such change;

(ii) the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market at the closing price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors shall select the principal of such stock exchanges or markets for such purposes;

(iii) shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors in line with such prices;

(iv) 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 Board of Directors may consider appropriate in such case to reflect the true value thereof;

(v) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market will be valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the Company;

(vi) swap contracts will be valued according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts will be valued by reference to the market value of the underlying assets. Cash flow based swap contracts will be valued by reference to the net present value of the underlying future cash flows;

(vii) the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;

(viii) any assets or liabilities in currencies other than the relevant currency of the Sub-Fund concerned will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;

(ix) in the event that any of the securities held in the Company portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (ii) is not, in the opinion of the Board of Directors, representative of the fair market value of the relevant securities, the value of such securities will be determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles;

(x) in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors may adopt to the extent such valuation principles are in the best interests of the Shareholders any other appropriate valuation principles for the assets of the Company; and

(xi) in circumstances where the interests of the Company or its Shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

The consolidated accounts of the Company for the purpose of its financial reports shall be expressed in EUR.

23. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND ISSUE, CONVERSION, AND REDEMPTION OF SHARES

The Company may suspend the calculation of the NAV per Share relating to any Sub-Fund and hence, the issue, redemption and conversion of Shares relating to any Sub-Fund:

(a) during any period when any market or stock exchange, which is the principal market or stock exchange on which a material part of the investments of the relevant Sub-Fund for the time being are quoted, is closed (otherwise than for ordinary holidays), or during which dealings are substantially restricted or suspended;

(b) during the existence of any state of affairs which constitutes an emergency as a result of which disposal of investments of the relevant Sub-Fund by the Company is not possible;

(c) during any period when the publication of an index, underlying of a financial derivative instrument representing a material part of the assets of the relevant Sub-Fund is suspended;

(d) during any period when the determination of the net asset value per share of the underlying funds or the dealing of their shares/units in which a Sub-Fund is a materially invested is suspended or restricted;

(e) during any breakdown in the means of communication normally employed in determining the price of any of the relevant Sub-Fund's investments or the current prices on any market or stock exchange;

(f) during any period when remittance of monies which will or may be involved in the realisation of, or in the repayment for any of the relevant Sub-Fund's investments is not possible;

(g) from the date on which the Board of Directors decides to liquidate or merge one or more Sub-Fund(s)/Class of Shares or in the event of the publication of the convening notice to a general meeting of shareholders at which a resolution to wind up or merge the Company or one or more Sub-Fund(s) or Class of Shares is to be proposed; or

(h) during any period when in the opinion of the Directors there exist circumstances outside the control of the Company where it would be impracticable or unfair towards the shareholders to continue dealing in shares of any Sub-Fund of the Company.

The Company shall cease the issue, allocation, conversion, redemption and repurchase of the Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the CSSF.

Shareholders who have requested conversion, redemption or repurchase of their Shares will be promptly notified in writing of any such suspension and of the termination thereof. It should be noted that the Shareholders who have requested the conversion, redemption or repurchase of their Shares, shall have the possibility to withdraw their request before the termination of the suspension period. Other Shareholders will be promptly informed by mail of any such suspension and of the termination thereof. In the absence of such a revocation the Shares concerned will be subscribed for, redeemed or switched in priority on the first Valuation Day following the lifting of the suspension.

24. TAXATION

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

24.1 TAXATION OF THE COMPANY

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

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

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

- The Sub-Funds are, nevertheless, in principle, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on their net asset value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% *per annum* is however applicable to any Sub-Fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both;

- any Sub-Fund or Classes provided that their shares are only held by one or more institutional investor(s).

A subscription tax exemption applies to:

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

To the extent that the Company would only be held by pension funds and assimilated vehicles, the Company as a whole would benefit from the subscription tax exemption.

Withholding tax

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

Distributions made by the Company as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg. The Company may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax rate.

The Company is not subject to net wealth tax.

24.2 TAXATION OF SHAREHOLDERS

Luxembourg resident individuals

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

(i) the Shares are sold before or within 6 months from their subscription or purchase; or

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

Distributions received from the Company will be subject to Luxembourg personal income tax. Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*).

Luxembourg resident corporate

Luxembourg resident corporate investors will be subject to corporate taxation realised upon disposal of the Shares and on the distributions received from the Company.

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

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

Non Luxembourg residents

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

24.3 AUTOMATIC EXCHANGE OF INFORMATION

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (AEOI) on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the Member States. The Euro-CRS Directive was implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Company may require its Investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status and report information regarding a Shareholder. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Company in the data protection section of the Prospectus in compliance with Luxembourg data protection law. Information regarding an investor and his/her/its account will be reported to the Luxembourg tax authorities (*Administration des Contributions Directes*), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such account is deemed a CRS reportable account under the CRS Law.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to exchange information automatically under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis. Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

25. MEETINGS AND REPORTS

25.1 MEETINGS

The annual general meeting of Shareholders is held at 2:00 pm (Luxembourg time) at the registered office of the Company in Luxembourg on the second Tuesday of April every year. If such day is not a Business Day, the general meeting takes place on the following Business Day.

Other general meetings of Shareholders will be held at such time and place as indicated in the notices of such meetings.

Notices of general meetings are sent in accordance with Luxembourg law to the Shareholders at their address in the Share register, at least eight (8) days before the meeting. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all general meetings will be those laid down in the Articles.

Other notices are sent to the Shareholders by ordinary mail.

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

Pursuant to the law of 6 April 2013 relating to dematerialised securities, holders of dematerialized Shares are entitled to attend the general meeting and exercise their rights only if they hold such dematerialized Shares at the latest at midnight, Luxembourg time, on the 14th day preceding the day of such general meeting.

25.2 REPORTS

The corporate year of the Company ends on 31 December in each year.

The annual report containing the audited financial accounts of the Company expressed in EUR in respect of the preceding financial period and with details of each Sub-Fund in the relevant currency is only sent to the Shareholders, free of charge, at their request and made available at the Company's registered office, at least fifteen (15) days before the annual general meeting.

In addition, an unaudited semi-annual report containing similar information is made available at the Company's registered office within two months of the end of the half-yearly period ending on 30 June.

Copies of all reports are available at the registered office of the Company.

26. APPLICABLE LAW, JURISDICTION

All legal disputes between the Company, the Shareholders, CACEIS performing the activities of depositary and central administration agent are subject to the relevant jurisdiction of the Grand-

Duchy of Luxembourg and the applicable law is Luxembourg law. However, the above companies may, in relation to claims from investors from other countries, be subject to the jurisdiction of those countries in which Shares are offered and sold.

27. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company in Luxembourg during normal business hours on any Business Days:

- the Management Company Agreement, Depositary Agreement and Central Administration Agreement. These agreements may be amended with the written approval of the parties concerned;
- the Articles;
- the Prospectus and the key investor information documents;
- the most recent annual and semi-annual reports (if available).

APPENDIX I

to the Prospectus of

7H

relating to the Sub-Fund

7H – Activyt

(hereafter the "Sub-Fund")

Information provided in this Appendix should be read in conjunction with the full text of the Prospectus.

CLASSES OF SHARES

The Shares of the Sub-Fund are currently available in the following Classes: A (EUR) and A (USD).

An initial offer of Class B (EUR), Class B (USD), Class C (EUR), Class C (USD), Class E (EUR), Class E (USD), Class F (EUR), Class F (USD) and Class L (EUR) will take place upon decision of the Board of Directors.

Class L (EUR) Shares are intended for listing on EU Regulated Markets; in particular, Class L (EUR) Shares will be listed and traded on the Italian Stock Exchange (Borsa Italiana S.p.A.- ETFplus Market - Segment UCITS). ETFplus is a regulated market managed by Borsa Italiana S.p.A. For the avoidance of any doubt, the Sub-Fund is not an exchange traded fund (ETF) and does not have characteristics of an ETF within the meaning of CSSF Circular 14/592 relating to Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues. Fractions of shares will not be issued for Class L (EUR) Shares.

The attention of the investors is drawn to the fact that Classes A (USD), B (USD), C (USD), E (USD) and F (USD) which are denominated in USD may not be hedged against the fluctuation of the Euro, which is the reference currency of the Sub-Fund.

Class A, Class B and Class C are only available to institutional investors (within the meaning of article 174 of the 2010 Law) who have been specifically approved by the Board of Directors.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Sub-Fund is to achieve capital appreciation over time.

Subject to the investment restrictions laid down in section 5. "Investment Restrictions" of this Prospectus, the Sub-Fund intends to gain exposure to a large range of equity securities, including exchange traded commodities (ETCs), which do not embed financial derivative instruments, and exchange traded funds (ETFs).

The Sub-Fund may also invest in money market instruments as well as securities, debt equities and derivative instruments including (but not limited to) futures, forwards, options on futures or options on options, contracts for differences, including index contracts, swaps, credit default swaps and all ancillary transactions to any of the above. Investments in asset-backed and mortgage-related securities, if any, will be limited to a maximum of 20% of the Sub-Fund’s net assets.

The Sub-Fund will make use of financial derivative instruments within the limits as provided by Part I of the 2010 Law.

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

PROFILE OF THE TYPICAL INVESTOR

Long-term focused investor seeking a positive income over a balanced portfolio.

MINIMUM INITIAL INVESTMENT

The Board of Directors has imposed the following Minimum Initial Investment in respect of the following Classes:

CLASS	**MINIMUM INITIAL INVESTMENT** (in EUR or equivalent in other currencies)
A	100,000
B	5,000,000
C	10,000
E	10,000
F	10,000
L	- (1 share)

MANAGEMENT FEE

In consideration for the investment management services, the Sub-Fund shall pay directly to the Management Company a Management Fee, calculated on the Sub-Fund's net assets and accrued on each Valuation Day and paid monthly in arrears at a rate of maximum 1.50 % p.a. for Class A and Class L, at a rate of maximum 1.20% for Class B, at a rate of maximum 2.40% p.a. for Class C, at a rate of maximum 2.00% p.a. for Class E, at a rate of maximum 2.10% p.a. for Class F. This fixed fee will be payable whether or not the management of the Sub-Fund is profitable.

GLOBAL EXPOSURE

The global exposure of the Sub-Fund is calculated using the commitment approach.

PERFORMANCE FEE

In addition to the Management Company Fee, a performance fee (the "**Performance Fee**") may be paid to the Management Company annually. The Management Company will be entitled to the Performance Fee calculated and due in relation of each Valuation Day for each Share and fraction thereof in issue at the rate of 20% of the difference – if positive – between:

- the NAV per Share before deduction of the daily Performance Fee to be calculated, but after deduction of all other fees attributable to the respective Class, including but not limited to the Management Company Fee;

and

- the last NAV per Share (after deduction of the Performance Fee) of the Class recorded for the immediately preceding financial year of the Sub-Fund.

In relation to Classes launched during the corporate year of the Sub-Fund, the initial NAV of Reference shall be equal to the initial subscription price of such Class.

The amounts so accumulated during the calendar year shall be paid to the Management Company only if the yearly NAV per Share of the Class is higher than the last yearly NAV per Share of the Class of the preceding year. These amounts shall be paid after each calendar year end.

DEALING CHARGES

A Redemption Charge of maximum 3% of the relevant NAV may be charged by the Company exclusively with respect to the Shares redeemed after a holding period of such redeemed Shares of less than 6 months.

No subscription and conversion charges are applicable.

BENCHMARK

The Sub-Fund is actively managed. The Sub-Fund is not managed by reference to a benchmark and does not use a benchmark for performance comparison purposes. This means the Management Company is taking investment decisions with the intention of achieving the Sub-Fund's investment objective without reference to a benchmark. The Management Company is not in any way constrained by a benchmark in its portfolio positioning.

APPENDIX II

to the Prospectus of

7H

relating to the Sub-Fund

7H – Palatin

(hereafter the "Sub-Fund")

Information provided in this Appendix should be read in conjunction with the full text of the Prospectus.

CLASSES OF SHARES

The Shares of the Sub-Fund are currently available in the following Class: A (EUR).

An initial offer of Class B (EUR), Class B (USD), Class C (EUR), Class C (USD), Class E (EUR), Class E (USD), Class F (EUR), Class F (USD) and Class L (EUR) will take place upon decision of the Board of Directors.

Class L (EUR) Shares are intended for listing on EU Regulated Markets; in particular, Class L (EUR) Shares will be listed and traded on the Italian Stock Exchange (Borsa Italiana S.p.A.- ETFplus Market - Segment UCITS). ETFplus is a regulated market managed by Borsa Italiana S.p.A. For the avoidance of any doubt, the Sub-Fund is not an exchange traded fund (ETF) and does not have characteristics of an ETF within the meaning of CSSF Circular 14/592 relating to Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues. Fractions of shares will not be issued for Class L (EUR) Shares.

The attention of the investors is drawn to the fact that Classes A (USD), B (USD), C (USD), E (USD) and F (USD) which are denominated in USD may not be hedged against the fluctuation of the Euro, which is the reference currency of the Sub-Fund.

Class A, Class B and Class C are only available to institutional investors (within the meaning of article 174 of the 2010 Law) who have been specifically approved by the Board of Directors.

Class A (EUR) are only available to institutional investors (within the meaning of article 174 of the 2010 Law) who have been specifically approved by the Board of Directors.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of the Sub-Fund is to achieve capital appreciation over time.

Subject to the investment restrictions laid down in section 5. "Investment Restrictions" of this Prospectus, the Sub-Fund may gain exposure to equity and debt securities of companies worldwide.

The Sub-Fund will mainly invest in investment grade, debt securities worldwide including emerging markets debt securities issued by sovereign or corporate entities.

The Sub-Fund may also invest in a wide variety of equity securities. Equity investments are selected in industries and companies that the Management Company believes are experiencing favourable demand for their products and services, and which operate in a favourable regulatory and competitive climate. The Management Company’s analysis and selection process focuses on growth potential; current income is not a major consideration. The Sub-Fund intends generally to

seek out the securities of large well-established issuers. However, the Sub-Fund may invest in the equity securities of smaller emerging growth companies when the Management Company believes that such investments represent a potentially beneficial investment opportunity for the Sub-Fund.

The Sub-Fund's investments may include securities of companies whose earnings are expected to increase, companies believed to be undervalued and companies whose operations or profitability are expected to improve.

The Sub-Fund may also invest in money market instruments, REITs and derivative instruments including (but not limited to) futures, forwards, options on futures or options on options, contracts for differences, including index contracts, swaps, credit default swaps and all ancillary transactions to any of the above. The Sub-Fund will make use of financial derivative instruments for investment, hedging and efficient portfolio management purposes within the limits as provided by Part I of the 2010 Law.

The Sub-Fund's investment in securities will be subject to the following limits:

- not more than 20% of the Sub-Fund's NAV will be invested in asset-backed and mortgage-related securities
- not more than 10% of the Sub-Fund's NAV will be invested in distressed securities being high yield bonds with a rating of CCC or below CCC at the time of investment (as measured by Standard & Poor's or any equivalent grade of other credit rating agency) (please refer to sub-section 4.6. "Distressed Securities" under section 4. "Risk Factors" for more information); and
- not more than 10% of the Sub-Fund's NAV will be invested in CoCos.
- 20% of its Net Asset Value in high yield bonds with a rating of above CCC at the time of investment (as measured by Standard & Poor's or any equivalent grade of other credit rating agency or, in the case of unrated bonds, as determined by the Management Company, such investment in unrated bonds to represent a maximum of 20% of the Sub-Fund's Net Asset Value);

Up to 10% of its net assets, the Sub-Fund may invest in equities issued by companies having their registered office in the People's Republic of China and available through regulated markets or the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong-Kong Stock Connect.

Up to 10% of its net assets, the Sub-Fund may also invest in equities of entities located in Russia.

The Sub-Fund may also gain exposure to commodity linked securities (including exchange traded funds and/or commodities and inflation linked instruments).

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

PROFILE OF THE TYPICAL INVESTOR

Long-term focused investor seeking a positive income over a balanced portfolio.

MINIMUM INITIAL INVESTMENT

The Board of Directors has imposed the following Minimum Initial Investment in respect of the following Classes:

CLASS	MINIMUM INITIAL INVESTMENT (in EUR or equivalent in other currencies)
A	125,000
B	5,000,000
C	10,000
E	10,000
F	10,000
L	- (1 share)

MANAGEMENT FEE

In consideration for the investment management services, the Sub-Fund shall pay directly to the Management Company a Management Fee, calculated on the Sub-Fund's net assets and accrued on each Valuation Day and paid quarterly in arrears at a rate of maximum 1.50 % p.a. for Class A and Class L, at a rate of maximum 1.20% for Class B, at a rate of maximum 2.00% p.a. for Class C, at a rate of maximum 1.50% p.a. for Class E, at a rate of maximum 2.00% p.a. for Class F. This fixed fee will be payable whether or not the management of the Sub-Fund is profitable.

FREQUENCY OF THE NET ASSET VALUE CALCULATION AND VALUATION DAY

By derogation from clause (a) of section 22. "Net Asset Value Determination", the Net Asset Value per Share is determined as at each Friday (the "**Valuation Day**"). The NAV Calculation Day is the Business Day following the applicable Valuation Day.

SUBSCRIPTIONS

Shares will be issued at a price based on the Net Asset Value per Share determined as at the relevant Valuation Day increased, as the case may be, by a sales charge, as stated below.

All applications for subscriptions will be processed in accordance with the following principles.

Shares will be allotted and issued on the Valuation Day and such other days as the Board may determine at the Net Asset Value per Share as of the immediate preceding Valuation Day, provided that the Fund and/or the Administrative Agent has received an application for such Shares and cleared funds in respect thereof at the latest at 12.00 noon (Luxembourg time) one Business Day prior to such Valuation Day.

No subscription charge shall apply.

REDEMPTIONS

Shares will be redeemed at a price based on the Net Asset Value per Share determined as at the relevant Valuation Day, less, as the case may be, a redemption charge, as stated below.

Application for redemption must be received by the Administrative Agent at the latest at 12.00 noon (Luxembourg time) seven calendar days prior to the Valuation Day on which the relevant Shares are to be redeemed. Shareholders must maintain a Minimum Holding Amount as set out under section "Classes of Shares" here above.

Any applications received after the applicable deadline will be processed in respect of the next Valuation Day.

No redemption charge shall apply.

GLOBAL EXPOSURE

The global exposure of the Sub-Fund is calculated using the commitment approach.

PERFORMANCE FEE

In addition to the Management Company Fee, a performance fee (the "**Performance Fee**") may be paid to the Management Company on a yearly basis. The Management Company will be entitled to the Performance Fee calculated and due in relation of each Valuation Day for each Share and fraction thereof in issue at the rate of 10% of the difference – if positive – between:

- the NAV per Share before deduction of the daily Performance Fee to be calculated, but after deduction of all other fees attributable to the respective Class, including but not limited to the Management Company Fee;

  and

- the greater of ("NAV of Reference")

  i) the highest NAV per Share (after deduction of the Performance Fee) of the Class recorded on any preceding Valuation Day during the same financial year of the Sub-Fund,

  and

  ii) the last Net Asset Value per Share (after deduction of the Performance Fee) of the Class recorded for the immediately preceding financial year of the Sub-Fund.

In relation to Classes launched during the corporate year of the Sub-Fund, the initial NAV of Reference shall be equal to the initial subscription price of such Class.

The amounts so accumulated during each calendar year shall be paid to the Management Company only if the last Net Asset Value per Share of the Class of the year is higher than the last Net Asset Value per Share of the Class of the preceding year. These amounts shall be paid after each calendar year end.

DEALING CHARGES

No subscription, conversion and redemption charges are applicable.

BENCHMARK

The Sub-Fund is actively managed. The Sub-Fund is not managed by reference to a benchmark and does not use a benchmark for performance comparison purposes. This means the Management Company is taking investment decisions with the intention of achieving the Sub-

Fund’s investment objective without reference to a benchmark. The Management Company is not in any way constrained by a benchmark in its portfolio positioning.