

## **PROSPECTUS**

### ***BDLCM Funds***

Société d'Investissement à Capital Variable  
à compartiments multiples  
Luxembourg

Subscriptions can only be received on the basis of this Prospectus accompanied by the relevant key investor information documents, the latest annual report as well as the latest semi-annual report, if published after the latest annual report.

These reports form part of the present Prospectus. No information other than that contained in this Prospectus, in the periodic financial reports, as well as in any other documents mentioned in the Prospectus and which may be consulted by the public, may be given in connection with the offer.

R.C.S. LUXEMBOURG B 201647

10 March 2021

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<b>REGISTERED OFFICE</b>	5, allée Scheffer L-2520 Luxembourg Grand-Duchy of Luxembourg
<b>MANAGEMENT COMPANY</b>	BDL Capital Management 24, rue du Rocher 75008 Paris France
<b>DIRECTORS OF THE SICAV</b>	Hughes Beuzelin, CEO of BDL Capital Management Thierry Dupont, General Manager of BDL Capital Management Maxime Hayot, in charge of the treasury management of BDL Capital Management
<b>DIRECTORS (“Associés – mandataires sociaux”) OF THE MANAGEMENT COMPANY</b>	Hughes Beuzelin Thierry Dupont
<b>AUDITOR</b>	KPMG Luxembourg 39, Avenue J.-F. Kennedy L-1855 Kirchberg Grand-Duchy of Luxembourg
<b>DEPOSITARY AND PAYING AGENT</b>	CACEIS Bank, Luxembourg Branch 5, allée Scheffer L-2520, Luxembourg Grand-Duchy of Luxembourg
<b>ADMINISTRATIVE AGENT AND REGISTRAR / TRANSFER AGENT</b>	CACEIS Bank, Luxembourg Branch 5, allée Scheffer L-2520, Luxembourg Grand-Duchy of Luxembourg

**The Prospectus is divided into two Parts. Part A “General Information” aims at describing the general features of BDLCM Funds. Part B “The Sub-Funds” aims at describing precisely each Sub-Fund’s specifics.**

<b>PART A: GENERAL INFORMATION</b>
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## GLOSSARY

<b>Administrative Agent</b>	CACEIS Bank, Luxembourg Branch.
<b>Annual General Meeting</b>	The general meeting of Shareholders which is held yearly.
<b>Articles</b>	The Articles of Incorporation of the Company.
<b>AMF</b>	Autorité des Marchés Financiers, the French financial supervisory authority
<b>Auditor</b>	KPMG Luxembourg
<b>Bank Business Day</b>	Any day in which banks are open for business.
<b>Benchmarks Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.
<b>Board of Directors</b>	The board of directors of the Company.
<b>Class(es) of Shares</b>	Within each Sub-Fund several different classes of shares whose characteristics may differ. The differences between the Classes may relate <i>inter alia</i> to the initial subscription price per share, the Reference Currency of the Class, the types of investors who are eligible to invest, the subscription and repurchase frequency, the charging structure applicable to each of them, the distribution policy or such other features as the Board of Directors may, in their discretion, determine.
<b>Company</b>	BDLCM Funds.
<b>Company Law</b>	The Luxembourg law of 10 August 1915 related to the commercial companies.
<b>Depository Bank</b>	CACEIS Bank, Luxembourg Branch.
<b>Directive 2009/65/EC or UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.
<b>Director(s)</b>	Member(s) of the Board of Directors of the Company
<b>ESG criteria</b>	Environmental, Social and Governance (ESG) criteria constitute the three pillars of extra-financial analysis considered in socially responsible fund management. Environmental criteria relate, among other, to the following topics: climate mitigation, waste management, reduction of greenhouse gas emissions and prevention of environmental risks. Social criteria relate, among other, to the following topics: compliance with employment safety and health protection, employee rights, supply chain monitoring and consideration of interests of communities and social minorities. Governance criteria relate, among other, to the following topics: anti-corruption measures, sustainability management by the board of directors and the management structure.
<b>Feeder Sub-Funds</b>	Feeder UCITS of funds which qualifies as master UCITS as defined in the Investment Fund Law.
<b>FII</b>	Foreign Financial Institution.
<b>GDPR</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data - Regulation also known as "General Data Protection Regulation".
<b>GIIN</b>	Global Intermediary Identification Number.

<b>Investment Advisor</b>	The respective investment advisor for each Sub-fund (if any) as disclosed in the relevant Sub-Funds' specifics in Part B.
<b>Investment Fund Law</b>	The Luxembourg law of December 17, 2010 related to undertakings for collective investments.
<b>Investment Manager</b>	No Investment Manager has been appointed.
<b>KIID</b>	Key Investor Information Document.
<b>Management Company</b>	The management company of the Company.
<b>Master Fund</b>	The Fund in which the feeder Sub-Fund invests.
<b>Member State</b>	Member State of the European Union.
<b>Mémorial</b>	The Luxembourg official gazette of law.
<b>Merger</b>	A merger of a Sub-Fund or Class of Shares of the Company.
<b>MiFID II</b>	The Directive 2014/65/EU on markets in financial instruments.
<b>Net Asset Value</b>	The net asset value as determined in section 8.
<b>Nominee</b>	A company into whose name securities or other properties are transferred.
<b>OECD Member Countries</b>	Countries which have signed the Convention on the Organisation for Economic Cooperation and Development ("OECD")
<b>OTC Derivative</b>	Over the Counter derivative contract.
<b>Prospectus</b>	The current prospectus, offering document of the Company.
<b>Reference Currency</b>	The reference currency of, respectively, the Company, the Sub-Funds or Classes of Shares.
<b>Registrar and Transfer Agent</b>	CACEIS Bank, Luxembourg Branch.
<b>Regulation 2015/2365</b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse.
<b>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
<b>SFT</b>	Securities financing transactions as per Regulation 2015/2365.
<b>Shareholders</b>	Holders of shares of the Company.
<b>SICAV</b>	<i>Société d'Investissement à Capital Variable.</i>
<b>Sub-Fund(s)</b>	A distinctive entity constituted of assets and liabilities.
<b>UCI</b>	Undertaking for Collective Investment.
<b>UCITS</b>	Undertaking for Collective Investment in Transferable Securities.
<b>UCITS Rules</b>	The set of rules formed by the UCITS Directive and any derived or connected EU or national act, statute, regulation, circular or binding guidelines.
<b>UN SDGs</b>	The 17 Sustainable Development Goals, also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.
<b>UK</b>	United Kingdom
<b>US Person</b>	(i) a citizen of the United States of America irrespective of his place of residence or a resident of the United States of America irrespective of his citizenship;  (ii) a partnership organised or existing in laws of any state, territory or possession of the United States of America;  (iii) a corporation organised under the laws of the United States of America or of any state, territory or possession thereof; or

	<p>(iv) any estate or trust which are subject to United States tax regulations.</p> <p>(v) any other persons or entities holding shares or, if they were to hold shares, would in so doing result in circumstances (whether directly or indirectly affecting such person or entity and whether taken alone or in conjunction with any other person or entity, connected or not, or under any other circumstances), which, in the opinion of the Board of Directors, might result in the Company incurring any liability to U.S. taxation or suffering any other pecuniary, legal or administrative disadvantage which the Company might not otherwise have incurred or suffered.</p>
<b>Valuation Date</b>	A day on which the Net Asset Value per share of each Class will be determined.

## 1. INTRODUCTION

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BDLCM Funds (hereinafter the "**Company**"), described in this Prospectus, is a company established in Luxembourg with a variable capital, a SICAV that may offer a choice of several separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific features as further detailed in the relevant Sub-Funds Addendum in Part B. Each Sub-Fund invests in transferable securities and/or other liquid financial assets permitted by Part I of the law of December 17, 2010 related to undertakings for collective investments (in the following referred to as "**Investment Fund Law**") transposing Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (in the following referred to as the "**Directive 2009/65/EC**"). All or part of the Sub-Funds of the Company may adopt a feeder investment policy in compliance with the provisions of the Investment Fund Law, with a view to invest at all times at least 85% of its assets in shares of a master UCITS, as further detailed (where applicable) in the relevant Sub-Fund's specifics in Part B.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s). This means that the assets of each Sub-Fund shall be invested for the Shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The main objective of the Company is to provide a range of Sub-Funds combined with active professional management to diversify investment risk and satisfy the needs of investors seeking income, capital conservation and longer term capital growth. Each Sub-Fund is described in each Sub-Fund's specifics in Part B of this Prospectus.

**As in the case of any investment, the Company cannot guarantee future performance and there can be no certainty that the investment objectives of the Company's individual Sub-Funds will be achieved.**

The Reference Currency of the Sub-Funds (the "**Reference Currency**") is indicated in each Sub-Fund's specifics (section "Investment Objectives and Policy") in Part B of this Prospectus.

The board of directors of the Company (hereinafter the "**Board of Directors**" or the "**Directors**") may decide at any time to create new Sub-Funds. At the opening of such additional Sub-Funds, the current Prospectus shall be adapted accordingly.

As also indicated in the Articles of the Company, the Board of Directors may:

- (i) restrict or prevent the ownership of shares in the Company by any physical person or legal entity;
- (ii) restrict the holding of shares in the Company by any physical or corporate person in order to avoid the breach of laws and regulations of a country and/or official regulations or to avoid that the shareholding in question induces tax liabilities or other financial disadvantages, which it would otherwise not have incurred or would not incur.

Shares shall in particular not be offered or sold by the Company to US Persons.

As the above-mentioned definition of "US Person" differs from Regulation S of the US Securities Act of 1933, the Board of Directors of the Company, notwithstanding the fact that such person or entity may come within any of the categories referred to above, is empowered to determine, on a case by case basis, whether the ownership of shares or the solicitation for



ownership of shares shall or shall not be in breach of any securities law of the United States of America or any state or other jurisdiction thereof.

For further information on restricted or prohibited share ownership, please consult the Company.

### **Foreign Account Tax Compliance Act (FATCA)**

FATCA provisions generally impose the reporting to the U.S. Internal Revenue Service of U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

The basic terms of FATCA currently appear to include the Company as a "Foreign Financial Institution" ("**FFI**"), such that in order to comply, the Company may require all Shareholders of the Company to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned legislation.

Despite anything else herein contained and as far as permitted by Luxembourg laws, the Company shall have the right to:

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Company;
- Require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;
- Withhold the payment of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to enable it to determine the correct amount to be withheld.

In addition, the Company hereby confirms that it has become a participating FFI as laid down in the FATCA rules and that it has registered and certified compliance with FATCA and obtained a Global Intermediary Identification Number ("**GIIN**"), the Company will furthermore only deal with professional financial intermediaries duly registered with a GIIN.

### **Common Reporting Standard (CRS)**

The OECD received a mandate by the G8/G20 countries to develop a global reporting standard to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS has been incorporated in the amended Directive on Administrative Cooperation (DAC 2), adopted on 9 December 2014, which the EU Member States needed to incorporate into their national laws by 31 December 2015. Luxembourg enacted the CRS provisions in a law enacted on 18 March 2015 (the "**CRS Law**") which amends the law of 29 March 2013 on administrative cooperation in the field of taxation.

The CRS requires Luxembourg Financial Institutions to identify their account holders (including in the case of an Investment Entity equity and debt holders) and establish if they are fiscally resident outside Luxembourg. In this respect, a Luxembourg Financial Institution is required to obtain a self-certification to establish the CRS status and/or tax residence of its account holders at account opening.

Luxembourg Financial Institutions needed to perform their first reporting of financial account information for the year 2016 about account holders and (in certain cases) their Controlling Persons that are tax resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) to the Luxembourg tax authorities (*Administration des contributions directes*) by 30 June 2017.

The Luxembourg tax authorities automatically exchange this information with the competent foreign tax authorities since end of September 2017.

### **Data protection**

The CRS Law requires EU Financial Institutions to inform beforehand each reportable individual investor that certain information will be collected and reported and should provide him with all the information required under Luxembourg law of 2002 on data protection which includes the following:

The Fund, as Reporting Luxembourg Financial Institution, will be responsible for the personal data processing.

- The personal data is intended to be used for the purpose of the CRS/DAC 2;
- The data will be reported to the Luxembourg tax authorities, where applicable, and the relevant foreign tax authorities;
- For each information request sent to the individual equity or debt holder, the answer from the individual equity or debt holder will be mandatory. Failure to respond may result in incorrect or double reporting.

Each reported individual has the right to access the data/financial information reported to the Luxembourg tax authorities as well as to rectify those data.

### **Disclosure with regard to the General Data Protection Regulation**

In accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation; the "GDPR"), the Company is considered as data controller (the "controller") and in this function ensures the protection of natural persons in relation to the processing of personal data according to the GDPR. The controller will collect, record, store, adapt, transfer or otherwise process (as defined in article 4 no. 2 of the GDPR; hereinafter "process") personal data such as identification data, contact data, professional data, administrative data, financial data and criminal data. By investing in this Company, investors are informed that personal data will be processed by the controller and its delegates. The controller undertakes all necessary measures to ensure the protection of investors in relation to the processing of their personal data.

The controller ensures that the data processing is limited to such, which is necessary for the purpose of an investment in this Company, or in the case that data is processed with regard to other purposes, that data processing is limited to the pre-defined purposes. Processing shall be lawful only if and to the extent that at least one of the following applies:

- (a) the investor has given consent to the processing of his or her personal data for one or more specific purposes;

- (b) processing is necessary for the performance of a contract to which the investor is party or in order to take steps at the request of the investor prior to entering into a contract;
- (c) processing is necessary for compliance with a legal obligation to which the controller is subject;
- (d) processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller;
- (e) processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the investor which require protection of personal data.

Further details on the processing of personal data, the period for which the personal data is stored, investors` rights (e.g. the right to request access to and rectification or erasure of personal data or restriction of processing, the right to data portability, the right to lodge a complaint with a supervisory authority) and additional information will be provided to investors via the controllers data privacy notice.

## 2. THE COMPANY

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The Company was incorporated for an unlimited period in the Grand Duchy of Luxembourg on 13 November 2015 as a *société anonyme* under the law of August 10, 1915 relating to commercial companies (the "**Company Law**") and is organized as a SICAV (i.e. variable capital company) under Part I of the Investment Fund Law. As such, the Company is registered on the official list of collective investment undertakings maintained by the Luxembourg regulator.

The capital of the Company shall at all times be equal to the value of the assets of all the Sub-Funds of the Company. The Reference Currency of the Company is Euro.

The minimum capital of the Company must be at least EUR 1,250,000 (one million two hundred fifty thousand Euro) and must be reached within a period of 6 months following the authorisation of the Company. For the purpose of determining the capital of the Company, the assets attributable to each Sub-Fund, if not expressed in Euro, will be converted into Euro at the then prevailing exchange rate in Luxembourg. If the capital of the Company becomes less than two-thirds of the legal minimum, the Directors must submit the question of the dissolution of the Company to the general meeting of Shareholders. The meeting is held without a quorum and decisions are taken by simple majority. If the capital becomes less than one quarter of the legal minimum, a decision regarding the dissolution of the Company may be taken by Shareholders representing one quarter of the shares present. Each such meeting must be convened not later than 40 days from the day on which it appears that the capital has fallen below two-thirds or one quarter of the minimum capital, as the case may be.

The registered office of the Company is at:

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

The Articles of the Company were published in the *Mémorial, Recueil des Sociétés et Associations* (hereafter referred to as the "**Mémorial**") on 26 November 2015 and the Company is registered with the Luxembourg Trade and Companies Register under number B 201647.

The Articles and amendments thereto, together with the mandatory legal notice, have been deposited with the Register of the Tribunal d'Arrondissement of Luxembourg where they are available for inspection and where copies thereof can be obtained.

The financial year of the Company starts immediately after the last Net Asset Value in September each year and ends on the last Net Asset Value in September each year. The first financial year started at the launch of the SICAV and ended on the last Net Asset Value of September 2016, namely on 28 September 2016.

Shareholders' meetings are to be held annually in Luxembourg at the Company's registered office or at such other place as is specified in the notice of meeting. The Annual General Meeting will be held on 19 January each year at 11:00 am local time. If such day is a legal bank holiday in Luxembourg, the Annual General Meeting shall be held on the next following full Bank Business Day. The first general annual meeting was held in 2017. Other meetings of Shareholders may be held at such place and time as may be specified in the respective notices of meetings that will be published/sent in compliance with the provisions of the Company Law. Resolutions concerning the interests of the Shareholders of the Company shall be taken in a general meeting and resolutions concerning the particular rights of the Shareholders of one specific Sub-Fund may be taken by this Sub-Fund's general meeting.

### 3. THE MANAGEMENT COMPANY

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The Directors are responsible for the overall investment policy, objectives and management of the Company, and of its Sub-Fund(s).

The Board of Directors of the Company has appointed BDL Capital Management as its Management Company to be responsible on a day to day basis, under the supervision of the Directors, for providing investment management, administration and marketing services in respect of all Sub-Fund(s) in accordance with the Directive 2009/65/EC.

The Management Company has delegated the administration functions to the Administration Agent and registrar and transfer functions to the Registrar and Transfer Agent.

The Management Company is registered with number 481 094 480 under the Register of Commerce and Companies of Paris, France. BDL Capital Management is regulated in France by the "*Autorité des Marchés Financiers*", the financial supervisory authority, and is authorised under number GP-05000003 as a UCITS management company in compliance with Directive 2009/65/EC. The Management Company has been appointed under a Collective Portfolio Management Agreement entered into on 20 November 2015. This Agreement is for an indefinite period of time.

The Management Company shall ensure compliance of the Company with the investment instructions and is responsible for the implementation of the Company's strategies and investment policy. The Management Company shall report to the Directors and inform each Director without delay of any non-compliance of the Company with the investment restrictions.

Subject to the conditions set forth by the Directive 2009/65/EC, the Management Company is authorized to delegate under its responsibility and control, and with consent and under supervision of the Company and its Board of Directors, part or all of its functions and duties to third parties.

For the investment management of the Sub-Funds, the Management Company may, at its own costs and under its control and supervision, appoint one or more Investment Managers for providing day-to-day management of the assets of certain Sub-Funds. The Management Company may further, under the same conditions, appoint Investment Advisors to provide investment information, recommendations and research concerning prospective and existing investments.

The remuneration policy of the Management Company is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the funds managed.

The remuneration policy reflects the Management Company's objectives for good corporate governance as well as sustained and long-term value creation for Shareholders. The remuneration policy has been designed and implemented to:

- support actively the achievement of the Management Company's strategy and objectives;
- support the competitiveness of the Management Company in the markets it operates;
- be able to attract, develop and retain high-performing and motivated employees; and
- address any situations of conflicts of interest. For that purpose, the Management Company has implemented and maintains an adequate management of conflicts of interest policy.

Employees of the Management Company are offered a competitive and market-aligned remuneration package making fixed salaries a significant component of their total package. Moreover, the assessment of performance may be set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration may be spread over the same period.

The principles of the remuneration policy are reviewed on a regular basis and adapted to the evolving regulatory framework. The remuneration policy has been approved by the Board of directors of the Management Company.

The details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, can be found on the following website, once the latter will be approved by the AMF: [www.bdlcm.com](http://www.bdlcm.com). A paper copy of the remuneration policy will be made available free of charge upon request.

In consideration of its investment management, administration and marketing services, the Management Company is entitled to receive management, administration, distribution and performance fees as indicated in each Sub-Fund's specifics (section "Expenses") in Part B of this Prospectus. Management fees shall be paid to the Management Company monthly.

## 4. INVESTMENT OBJECTIVES AND POLICY

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### 4.1 Investment objectives of the Company

The investment objective of each Sub-Fund is to provide investors with the opportunity of achieving long term capital growth and/or capital conservation through investment in assets within each of the Sub-Funds. **The Sub-Funds' assets will be invested in conformity with each Sub-Fund's investment objective and policy as described in each Sub-Fund's specifics** (section "Investment Objectives and Policy") **in Part B of this Prospectus**. All or part of the Sub-Funds of the Company may adopt a feeder investment policy in compliance with the provisions of the Investment Fund Law, with a view to invest at all times at least 85% of its assets in shares of a Master Fund, as further detailed (where applicable) in the relevant Sub-Fund's specific in Part B.

The investment objective and policy of each Sub-Fund of the Company is determined by the Directors, after taking into account the political, economic, financial and monetary factors prevailing in the selected markets.

Whilst using their best endeavours to attain the investment objectives, the Directors cannot guarantee the extent to which 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. Changes in the rates of exchange between currencies may also cause the value of the shares to diminish or to increase.

Unless otherwise mentioned in the Sub-Fund's specifics in Part B of this Prospectus, the following applies to the Sub-Funds.

### 4.2 Investment policy and restrictions of the Company

- I. In the case that the Company comprises more than one Sub-Fund, each Sub-Fund shall be regarded as a separate undertaking in collective investments in transferable securities ("**UCITS**") for the purpose of the investment objectives, policy and restrictions of the Company.
- II. 1. The **Company**, for each **Sub-Fund**, may invest in only one or more of the following:
  - a) transferable securities and money market instruments admitted to or dealt in on a regulated market; for these purposes, a regulated market is any market for financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004;
  - b) transferable securities and money market instruments dealt in on another market in a member state of the European Union and in a contracting party to the Agreement on the European Economic Area that is not a member state of the European Union within its limits set forth and related acts ("**Member State**"), which is regulated, operates regularly and is recognised and open to the public;

- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognised and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania;
- d) Recently issued 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 on another regulated market which operates regularly and is recognised and open to the public or markets as defined in the paragraphs a), b), c) above;
  - provided that such admission is secured within one year of issue;
- e) units of UCITS authorised according to Directive 2009/65/EC and/or other undertakings in collective investments (the "**UCI**") within the meaning of the first and the second indent of Article 1, paragraph (2) points a) and b) of the Directive 2009/65/EC, whether or not established in a Member State, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the Commission de Surveillance du Secteur Financier ("**CSSF**") to be equivalent to that laid down in EU Community law, and that cooperation between authorities is sufficiently ensured,
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
  - the business of such other UCIs is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Community law;
- g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
  - the underlying consists of instruments covered by this paragraph II. of section 4.2., financial indices, interest rates, foreign exchange rates or currencies, in which each Sub-Funds may invest according to its investment objectives;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and



- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- h) money market instruments other than those dealt in on a regulated market and which fall under Article 1 of the Investment Fund Law, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - issued by an undertaking any securities of which are dealt in on regulated markets referred to in subparagraphs a), b) or c) above; or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU 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 EU Community law; or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this sub-paragraph and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies including one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2. However:

- a) The Company, for each Sub-Fund, shall not invest more than 10% of its assets in transferable securities or money market instruments other than those referred to in paragraph 1 of this section 4.2.II. above;
- b) the Company for each Sub-Fund shall not acquire either precious metals or certificates representing them.

III. The Company, for each Sub-Fund, may acquire movable and immovable property which is essential for the direct pursuit of its business.

IV. The Company may hold ancillary liquid assets.

- V. a) (i) The Company, for each Sub-Fund, may invest no more than 10% of the assets of any Sub-Fund in transferable securities or money market instruments issued by the same body.
- (ii) The Company, for each Sub-Fund, may not invest more than 20% of its assets in deposits made with the same body. The risk exposure to a counterparty of each Sub-Fund in an OTC derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in paragraph II. f) or 5% of its assets in other cases.

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

Notwithstanding the individual limits laid down in paragraph a), the Company, for each Sub-Fund, shall not combine where this would lead to investing more than 20% of its assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body;
  - deposits made with that body; or
  - exposures arising from OTC derivative transactions undertaken with that body.
- c) The limit of 10% laid down in sub-paragraph a) (i) above may be of a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies of which one or more Member States belong.
- d) The limit of 10% laid down in sub-paragraph a) (i) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

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

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) are not included in the calculation of the limit of 40% referred to in paragraph b).

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

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

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

- VI. a) Without prejudice to the limits laid down in paragraph VIII., the limits provided in paragraph V. are raised to a maximum of 20% for investments in shares

and/or debt securities issued by the same body when, according to the constitutional documents of the Company, the aim of a Sub-Funds' investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF on the following basis:

- the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;
  - the index is published in an appropriate manner;
- in accordance with Article 44 of the Investment Fund Law and with the Luxembourgish Grand-Ducal regulation of 8 February 2008.

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

VII. **Notwithstanding the limits set forth under paragraph V., each Sub-Fund is authorized to invest in accordance with the principle of risk spreading up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a non-Member State of the European Union or public international bodies of which one or more Member States of the European Union belong, provided that (i) such securities are part of at least six different issues and (ii) the securities from a single issue shall not account for more than 30% of the total assets of the Sub-Fund.**

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

- b) Moreover, the Company may acquire no more than:
- 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 25% of the units of the same UCITS and/or other UCI with the meaning of Article 2 (2) of the Investment Fund Law;
  - 10% of the money-market instruments of any single issuer.

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

- c) The provisions of paragraphs (a) and (b) are waived as regards to:
- transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
  - transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members;
  - shares held by the Company in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents

the only way in which the Company for each Sub-Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the European Union complies with the limits laid down in paragraph V., VIII. and IX. Where the limits set in paragraph V and IX are exceeded, paragraph XI a) and b) shall apply mutatis mutandis;

- shares held by one or more investment companies in the capital of subsidiary companies carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of units at the request of unitholders exclusively on its or their behalf.

- IX. a) The Company may acquire the units of the UCITS and/or other UCIs referred to in paragraph II. e), provided that no more than 20% of a Sub-Fund's assets be invested in the units of a single UCITS or other UCI.

For the purpose of the application of this investment limit, each compartment of a single UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.

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

When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraph V.

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

The Company for each Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs will disclose in this Prospectus the maximum level of the management fees that may be charged both to the UCITS itself and to the other UCITS and/or other UCIs in which it intends to invest.

- X. 1. The Management Company applies 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.

The Administration Agent of the Company employs a process for accurate and independent assessment of the value of OTC derivatives.

2. The Company for each Sub-Fund is also authorised to employ techniques and instruments relating to transferable securities and money-market instruments under the conditions and within the limits laid down by the Investment Fund Law, provided that such techniques and instruments are used for the purpose of efficient portfolio management. When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down in the Investment Fund Law.

Under no circumstance shall these operations cause the Company for each Sub-Fund to diverge from its investment objectives as laid down in this Prospectus.

3. The Company shall ensure for each Sub-Fund that the global exposure relating to derivative instruments does not exceed the assets of the relevant Sub-Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

If the Company invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph V above. When the Company invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph V.

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 paragraph X.

The global exposure may be calculated through the Value-at-Risk approach ("**VaR Approach**") or the commitment approach ("**Commitment Approach**") as described in each Sub-Fund in Part B of this Prospectus.

The purpose of the VaR Approach is the quantification of the maximum potential loss that could arise over a given time interval under normal market conditions and at a given confidence level. A confidence level of 99% with a time horizon of one month is foreseen by the Investment Fund Law.

The Commitment Approach performs the conversion of the financial derivatives into the equivalent positions in the underlying assets of those derivatives. By calculating global exposure, methodologies for netting and hedging arrangements and the principles may be respected as well as the use of efficient portfolio management techniques.

Unless described differently in each Sub-Fund in Part B, each Sub-Fund will ensure that its global exposure to financial derivative instruments computed on a VaR Approach does not exceed either (i) 200% of the reference portfolio (benchmark) or (ii) 20% of the total assets or that the global exposure computed based on a commitment basis does not exceed 100% of its total assets.

To ensure the compliance of the above provisions the Management Company will apply any relevant circular or regulation issued by the CSSF or any European authority authorised to issue related regulation or technical standards.

- XI. a) The Company for each Sub-Fund does not need to comply with the limits laid down in section 4.2 when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Sub-Funds may derogate from paragraphs V., VI., VII. and IX. for a period of six months following the date of their authorisation.
- b) If the limits referred to in paragraph XI. a) are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its Shareholders.

- XII. 1. The Management Company on behalf of the Company may not borrow.

However, the Company may acquire foreign currency by means of a back-to-back loan for each Sub-Fund.

2. By way of derogation from paragraph XII.1., the Company may borrow provided that such a borrowing is:

- a) on a temporary basis and represents no more than 10% of their assets;
- b) to enable the acquisition of immovable property essential for the direct pursuit of its business and represents no more than 10% of its assets.

The borrowings under points XII. 2. a) and b) shall not exceed 15% of its assets in total.

XIII. A Sub-Fund may, subject to the conditions provided for in the Articles as well as this Prospectus, subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Funds of the Company under the condition that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund;
- no more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may, pursuant to the Articles, be invested in aggregate in shares/units of other target Sub-Funds of the same fund; and
- voting rights, if any, attaching to the relevant securities, are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Company, their value will not be taken into consideration of the calculation of the assets of the Company for the purposes of verifying the minimum threshold of the assets imposed by the Investment Fund Law; and
- there is no duplication of management/subscription or repurchase fees between those at the level of the Sub-Fund of the Company having invested in the target Sub-Fund, and this target Sub-Fund.

**XIV.** The Company makes all the management decisions for each Sub-Fund, considering the risks arising from sustainability factors in the meaning of SFDR. The Management Company considers sustainability risks in its investment decisions besides the common financial analysis as well as the other portfolio specific risks. This consideration applies to the investment management process including the investment assessment and screening.

The Management Company does not currently consider adverse impacts of investment decisions on sustainability factors as the relevant data required to determine and weight the adverse sustainability impacts are not yet available in the market to a sufficient extent and in the required quality.

#### 4.3 Securities lending, sale with right of repurchase transactions, repurchase and reverse repurchase agreement transactions and total return swaps.

As of the date of the Prospectus, the Company does not enter into securities lending transactions, repurchase and reverse repurchase agreements transactions or total return swaps, except otherwise stated in the Sub-Fund's specifics in Part B of the Prospectus.

In the event that the Board of Directors of the Company decides that the Company may enter into any of the above transactions and prior to any such transaction, the Prospectus of the Company will be amended accordingly to reflect this change in the investment policy of the Company, except otherwise stated in the Sub-Fund's specifics in Part B of the Prospectus, in order to comply with the requirements of Regulation 2015/2365.

#### 4.4 OTC derivatives contracts

As on the date of this Prospectus, the Company may not enter into OTC derivatives contracts. Should the Company decide to enter into OTC derivatives contracts, it will ensure that the following requirements are met, in accordance with Regulation 2015/2365:

- That the risks arising from these activities are adequately captured by the risk management process of the Company.

- That the techniques and instruments relating to transferable securities and money market instruments should not:

- a) result in a change of the declared investment objective of the Company; or
- b) add substantial supplementary risks in comparison to the original risk policy as discussed in the Sub-fund's specifics.

- That Part B of the Prospectus mentions:

- a) the policy regarding direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the Company, these fees not including hidden revenue; and

- b) the identity of the entity(ies) to which the direct and indirect costs and fees are paid and the indication of their relation with the Management Company or the Depositary Bank.

- That all revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, should be returned to the Company.

- That it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

- That, when it enters into a reverse repurchase agreement, it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis.

- That, when it enters into a repurchase agreement, it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

In case of use of total return swaps or other financial derivative instruments with the same characteristics, the Company will insert in its Prospectus the following:

- information on the underlying strategy and composition of the investment portfolio or index;

- information on the counterparty(ies) of the transactions;

- a description of the risk of counterparty default and the effect on investor returns;

- the extent to which the counterparty assumes any discretion over the composition or management of the Company's investment portfolio or over the underlying of the financial derivative instruments, and whether the approval of the counterparty is required in relation to any Company's investment portfolio transaction; and

- the identification of the counterparty being considered as an investment manager.

#### 4.5 Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques

In case of entering into OTC financial derivative transactions and efficient portfolio management techniques, the Company will ensure that all collateral used to reduce counterparty risk exposure should comply with the following criteria at all times:

- a) Liquidity – any collateral received other than cash should 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 should also comply with the provisions of Article 56 of the Directive 2009/65/EC.

b) Valuation – collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.

c) Issuer credit quality – collateral received should be of high quality.

d) Correlation – collateral received by the UCITS should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

e) Collateral diversification (asset concentration) – collateral should 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 UCITS 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 the UCITS' net asset value. When a UCITS is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a UCITS may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a UCITS should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the UCITS' net asset value. UCITS that intend to be fully collateralised in securities issued or guaranteed by a Member State should disclose this fact in the prospectus of the UCITS. UCITS should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their net asset value.

f) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

g) Where there is a title transfer, the collateral received should be held by the Depositary Bank. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

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

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

j) Cash collateral received should only be:

- placed on deposit with entities prescribed in Article 50.1(f) of the Directive 2009/65/EC;
- invested in high-quality government bonds;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds.

In that case, the Company will put in place a haircut policy adapted for each class of assets received as collateral; and when devising the haircut policy, the Company will take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests. The Company will ensure that this policy is documented and justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.



#### 4.6 Master Feeder structures

All or part of the Sub-Funds of the Company may be feeder UCITS of funds which qualify as master UCITS as defined in the Investment Fund Law. In compliance with the relevant provisions of the Investment Fund Law, a Feeder Sub-Fund will at all times invest at least 85% of its assets in shares of a Master Fund. Any Feeder Sub-Fund may hold up to 15% of its assets in ancillary liquid assets, including cash, cash equivalents and short term bank deposits in accordance with the provisions of Article 41 (2) of the Investment Fund Law.

To be eligible, any Master Fund must at all times (i) have at least one feeder UCITS among its shareholders, (ii) not itself become a feeder UCITS, and (iii) not hold shares or units of a feeder UCITS in accordance with Directive 2009/65/EC. The Sub-Fund's specifics in Part B of the Prospectus will contain information on investment objective and policy of the relevant Master Fund of the Feeder Sub-Funds of the Company.

Valuation day for shares of the Feeder Sub-Funds will correspond to dealing days for shares of the relevant Master Fund. Similarly, the respective dealing cut-off times for the Feeder Sub-Funds and the relevant Master Fund are set so that valid subscription or redemption orders for Shares of the Feeder Sub-Fund placed before the cut-off time can then be reflected in the Feeder Sub-Fund's investment into the Master Fund. Accordingly, valuation points for the Feeder Sub-Funds and the relevant Master Fund must also be coordinated, as each Feeder Sub-Fund's investments into their respective Master Fund will be valued at the latest available net asset value per share as published by the Master Fund.

A number of documents and agreements must be in place to the effect of coordinating interactions between the Feeder Sub-Funds and the Master Fund, in accordance with the relevant provisions of the Directive 2009/65/EC:

- (a) The Management Company shall establish internal conduct of business rules describing, especially, the appropriate measures to mitigate conflicts of interest that may arise between the Feeder Sub-Funds and the Master Fund, the basis of investment and divestment by the Feeder Sub-Funds, standard dealing arrangements, events affecting dealing arrangements and standard arrangements for the audit report. These internal rules are available on the website of the Management Company at [www.bdlcm.com](http://www.bdlcm.com) and include, in particular, rules regarding the conflicts of interests, principles applying to the transfers made by the Company, provisions governing the negotiation and provisions related to the audit report. Additional information regarding these internal rules can be obtained free of charge upon request made to the Management Company.
- (b) The Depositary and the depositary of each of the Master Fund must enter into an agreement in order to share information regarding the Master Funds. This agreement describes, especially, the documents and categories of information to be routinely shared between both depositaries or available upon request, the manner and timing of transmission, the coordination of involvement of each depositary in operational matters in view of their duties under their respective national law, the coordination of accounting year-end procedures, reportable breaches committed by the Master Funds, the procedure for *ad hoc* requests for assistance, and particular contingent events reportable on *ad hoc* basis.
- (c) The auditor of the Company (the "**Auditor**" or the "**Independent Auditor**") and the auditors of each of the Master Funds must enter into an Information Exchange Agreement in order to share information regarding the Master Fund. This agreement describes, especially, the documents and categories of information to be routinely shared between auditors or available upon request, the manner and timing of transmission of information, the coordination of involvement of each auditor in accounting year-end procedures of the Feeder Sub-Funds and the Master Funds,

reportable irregularities identified in the Master Funds and standard arrangements for *ad hoc* requests for assistance.

Each Feeder Sub-Fund is invested in specific shares of the Master Fund. The fees, charges and expenses of those specific shares of Master Fund associated with such investment are described in the Master Fund prospectus and details on the actual charges and expenses incurred at the level of the Master Fund are available on the website of the Management Company at [www.bdlcm.com](http://www.bdlcm.com)

Please refer to the section on "Fees and Expenses" in Part B of the Prospectus for additional information on fees and expenses payable by the Feeder Sub-Funds. The Key Information for Investors Documents issued for each Sub-Fund and Class of Shares also contain additional information on ongoing charges incurred by the Feeder Sub-Funds (aggregated with the charges incurred at the level of the Master Fund).

If and to the extent that voting rights attached to shares of the Master Fund will be exercised on behalf of the Feeder Sub-Fund, a summary description of the strategies followed in the exercise of such rights, as well as the actions taken on the basis of those strategies, will be made available to investors upon their specific request addressed to the Management Company.

It is intended that the performance of the various Classes of shares offered by the Feeder Sub-Fund will be similar to that of the corresponding classes of shares of the Master Fund. However, the performance of both funds will not be equal due, in particular, to costs and expenses incurred by the Feeder Sub-Fund and if the Reference Currency of the Feeder Sub-Fund differs from that of the Master Fund.

## 5. RISK FACTORS

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The Management Company applies 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 as described in point X of section 4.2 of Chapter 4 "Investment Objectives and Policies" and further detailed in each Sub-Fund's specific.

The investments of each Sub-Fund are subject to market fluctuations and the risks inherent to investments in transferable securities and other eligible assets. There is no guarantee that the investment-return objective will be achieved. The value of investments and the income they generate may go down as well as up and it is possible that investors will not recover their initial investment. An investment may also be affected by any changes in exchange control regulation, tax laws, withholding taxes and economic or monetary policies.

The discretionary management style is based on expectations of the performance of different markets (equities, bonds, etc.). However, any Sub-Fund may not be invested in the best-performing markets at all times. The fund's performance can therefore fall below the investment objective. The net asset value of the fund can also show negative performance. The risks inherent to the different Sub-Funds depend on their investment objective and policy, i.e. among others the markets invested in, the investments held in portfolio, etc.

Investors should be aware of the risks inherent to the following instruments or investment objectives, although this list is in no way exhaustive:

(i) Market risk

Market risk is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to a portfolio's interest.

Market risk is specifically high on investments in shares (and similar equity instruments). The risk that one or more companies will suffer a downturn or fail to increase their financial profits can have a negative impact on the performance of the overall portfolio at a given moment.

(ii) Equity risk

The value of all Sub-Funds that invest in equity and equity related securities will be affected by economic, political, market, and issuer specific changes. Such changes may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of the Sub-Fund's value are often exacerbated in the short-term as well. The risk that one or more companies in a Sub-Fund's portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period.

(iii) Interest rate risk

Interest rate risk involves the risk that when interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term fixed-income securities. A rise in interest rates generally can be expected to depress the value of the Sub-Funds' investments. The Sub-Fund shall be actively managed to mitigate market risk, but it is not guaranteed to be able to accomplish its objective at any given period.

(iv) Credit risk

Credit risk involves the risk that an issuer of a bond (or similar money-market instruments) held by the Company may default on its obligations to pay interest and repay principal and the Company will not recover its investment.

(v) Counterparty Risk

The Sub-Funds will be subject to the risk of the inability of any counterparty (including the Depository and Clearing Brokers) who to perform with respect to transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

(vi) Currency risk

Currency risk involves the risk that the value of an investment denominated in currencies other than the Reference Currency of a Sub-Fund may be affected favourably or unfavourably by fluctuations in currency rates.

(vii) Liquidity risk

There is a risk that the Company will not be able to pay repurchase proceeds within the time period stated in the Prospectus, because of unusual market conditions, an unusually high volume of repurchase requests, or other reasons.

(viii) Financial derivative instruments

The Sub-Funds may engage, within the limits established in their respective investment policy and the legal investment restrictions, in various portfolio strategies involving the use of derivative instruments for hedging or efficient portfolio management purposes.

The use of such derivative instruments may or may not achieve its intended objective and involves additional risks inherent to these instruments and techniques.

In case of a hedging purpose of such transactions, the existence of a direct link between them and the assets to be hedged is necessary, which means in principle that the volume of deals made in a given currency or market cannot exceed the total value of the assets denominated in that currency, invested in this market or the term for which the portfolio assets are held. In principle no additional market risks are inflicted by such operations. The additional risks are therefore limited to the derivative specific risks.

In case of a trading purpose of such transactions, the assets held in portfolio will not necessarily secure the derivative. In essence the Sub-Fund is therefore exposed to additional market risk in case of option writing or short forward/future positions (i.e. underlying needs to be provided/ purchased at exercise/maturity of contract).

Furthermore, the Sub-Fund incurs specific derivative risks amplified by the leverage structure of such products (e.g. volatility of underlying, counterparty risk in case of OTC, market liquidity, etc.).

(ix) Emerging market risk

Investors should note that certain Sub-Funds may invest in less developed or emerging markets as described in the Sub-Funds' specifics in Part B of this Prospectus. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. The risk of significant fluctuations in the Net Asset Value and of the suspension of redemptions in those Sub-Funds may be higher than for Sub-Funds investing in major markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Sub-Funds investing in such markets, as well as the income derived from the Sub-Fund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of shares of these Sub-Funds may be subject to significant volatility. Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus there may be a risk that settlement may be delayed and that cash or securities of the concerned Sub-Funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected (the "**Counterparty**") might result in a loss being suffered by the Sub-Funds investing in emerging market securities.

The Company will seek, where possible to use Counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Company will be successful in eliminating this risk for the Sub-Funds, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-Funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company's claims in any of these events.

(x) Investment restrictions relating to techniques and instruments aimed at hedging exchange risks

In the context of the management of the investment portfolio, each Sub-Fund may use instruments with a view to hedging against exchange-rate fluctuations. These instruments include sales of forward foreign-exchange contracts, sales of currency futures, purchases of put options on currencies as well as sales of call options on currencies. Such transactions are limited to contracts and options which are traded on a regulated market, which is in continuous operation and which is recognised and open to the public. Furthermore, the Company may for each Sub-Fund enter into currency swaps in the context of over-the-counter transactions dealing with leading institutions specialised in this type of transaction.

(xi) Foreign securities

A Sub-Fund's investment activities relating to foreign securities may involve numerous risks resulting from market and currency fluctuations, future adverse political and economic developments, the possible imposition of restrictions on the repatriation of cur-

rency or other governmental law or restrictions, reduced availability of public information concerning issuers and the lack of uniform accounting, auditing and financial reporting standards or other regulatory practices and requirements comparable to those applicable to companies in the investor's domicile. In addition, securities issued by companies or governments in some countries may be illiquid and have higher price volatility and, with respect to certain countries, there is a possibility of expropriation, nationalization, exchange control restrictions, confiscator taxation and limitations on the use or removal of funds or other assets of a Sub-Fund, including withholding of dividends. Certain securities held by a Sub-Fund may be subject to government taxes that could reduce the yield on such securities, and fluctuation in foreign currency exchange rates may affect the price of a Sub-Fund's securities and the appreciation or depreciation of investments. Certain types of investments may result in currency conversion expenses and higher custodial expenses. The ability of a Sub-Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger positions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. In addition, policies established by the governments of certain countries may adversely affect a Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

(xii) Class Hedging risk

Each Sub-Fund may engage in currency hedging transactions with regards to a certain Class of shares (the "**Hedged Share Class**"). Hedged Share Classes are designed (i) to minimize exchange rate fluctuations between the currency of the Hedged Share Class and the Reference Currency of the Sub-Fund or (ii) to reduce exchange rate fluctuations between the currency of the Hedged Share Class and other material currencies within the Sub-Fund's portfolio.

The hedging will be undertaken to reduce exchange rate fluctuations in case the Reference Currency of the Sub-Fund or other material currencies within the Sub-Fund (the "reference currency(ies)") is(are) declining or increasing in value relative to the hedged currency. The hedging strategy employed will seek to reduce as far as possible the exposure of the Hedged Share Classes and no assurance can be given that the hedging objective will be achieved. In the case of a net flow to or from a Hedged Share Class the hedging may not be adjusted and reflected in the net asset value of the Hedged Share Class until the following or a subsequent business day following the Valuation Date on which the instruction was accepted. This risk for holders of any Hedged Share Class may be mitigated by using any of the efficient portfolio management techniques and instruments (including currency options and forward currency exchange contracts, currency futures, written call options and purchased put options on currencies and currency swaps), within the conditions and limits imposed by the Luxembourg financial supervisory authority. Investors should be aware that the hedging strategy may substantially limit Shareholders of the relevant Hedged Share Class from benefiting from any potential increase in value of the Class of Shares expressed in the Reference Currency(ies), if the Hedged Share Class currency falls against the Reference Currency(ies). Additionally, Shareholders of the Hedged Share Class may be exposed to fluctuations in the net asset value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. The gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class. Any financial instruments used to implement such hedging strategies with respect to one or more Classes of a Sub-Fund shall be assets and/or liabilities of such Sub-Fund as a whole, but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. However, due to the lack of segregated liabilities between Classes of the same Sub-Fund, costs which are principally attributed to a specific Class may be ultimately charged to the Sub-Fund as a whole. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

No intentional leveraging should result from currency hedging transactions of a Class although hedging may exceed 100% for short periods between redemption instructions and execution of the hedge trade.

Share classes which are Hedged Share Classes will be indicated so in each Sub-Fund's specific.

(xiii) Foreign Currency risk

Since the Company values the portfolio holdings of each of its Sub-Funds in their respective Reference Currencies as stated in the relevant Sub Fund's specifics, changes in currency exchange rates adverse to those currencies may affect the value of such holdings and each respective Sub-Fund's yield thereon. Since the securities held by a Sub-Fund may be denominated in currencies different from its Reference Currency, the Sub-Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between such Reference Currency and other currencies. Changes in currency exchange rates may influence the value of a Sub-Fund's Shares, and also may affect the value of dividends and interests earned by the Sub-Fund and gains and losses realised by said Sub-Fund. If the currency in which a security is denominated appreciates against the Reference Currency, the price of the security could increase. Conversely, a decline in the exchange rate of the currency would adversely affect the price of the security. To the extent that a Sub-Fund or any Class of Shares seeks to use any strategies or instruments to hedge or to protect against currency exchange risk, there is no guarantee that hedging or protection will be achieved. Unless otherwise stated in any Sub-Fund's investment policy, there is no requirement that any Sub-Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction. Sub-Funds which use currency management strategies, including the use of cross currency forwards and currency futures contracts, may substantially change the Sub-Fund's exposure to currency exchange rates and could result in losses to the Sub-Fund if the currencies do not perform as the Investment Manager expects.

(xiv) Effect of substantial withdrawals

Substantial withdrawals by Shareholders within a short period of time could require the liquidation of positions more rapidly than would otherwise be desirable, which could adversely affect the value of the assets of the Company. The resulting reduction in the assets of the Company could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

(xv) Political risks

The value of the Company's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

(xvi) General economic conditions

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest rate sensitive securities. Unexpected volatility or illiquidity in the markets in which the Company directly or indirectly holds positions could impair the ability of the Company to carry out its business and could cause it to incur losses.

(xvii) Risks of Investing in a Master Fund

Any Feeder Sub-Fund will also be subject to specific risks associated with its investment into the Master Fund as well as specific risks incurred at the level of the Master Fund and its investments. If the Master Fund invests in a particular asset category, investment strategy or financial or economic market, the Feeder Sub-Fund will then become more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular asset category, investment strategy or financial or economic market.

**Therefore, before investing in Shares, prospective investors should carefully read the description of the risk factors relating to an investment in the Master Fund, as disclosed in the prospectus of the Master Fund which is available free of charge from the Management Company as well as on the website of the Management Company at [www.bdlcm.com](http://www.bdlcm.com).**

In addition to the above risk factors, prospective investors in Shares of a Feeder Sub-Fund should consider the following risks associated with the Feeder Sub-Fund's investment in the Master Fund.

#### *Liquidity and Valuation Risk*

When a Sub Fund is a Feeder Sub-Fund, it is intended that the Feeder Sub-Fund will invest substantially all of its assets in the Master Fund save for a residual cash amount which may be required from time to time for dealing liquidity purposes and payment of costs and expenses of the Feeder Sub-Fund.

The Net Asset Value of the Feeder Sub-Fund will mainly depend on the net asset value of the Master Fund.

Consequently, the Net Asset Value per Share may be determined only after the net asset value of the Master Fund has been determined, and the number of Shares to be issued to, exchanged or redeemed from, an investor in the Feeder Sub-Fund may not be determined until the net asset value per share of the Master Fund is determined. The determination of the Net Asset Value per Share may be suspended upon a suspension of the calculation of the net asset value per share of the Master Fund or any other suspension or deferral of the issue, redemption and/or exchange of shares in the Master Fund, in accordance with the provisions under the section "Net Asset Value" below.

The rules applied to calculate the Net Asset Value per Share, as described under the section "Net Asset Value" below, presume the Feeder Sub-Fund's ability to value its investment in the Master Fund. In valuing such investment holdings, the Feeder Sub-Fund may rely on financial information provided by the Management Company and the administrator of the Master Fund. Independent valuation sources such as exchange listing may not be available for the Master Fund.

#### *Operational and Legal Risks*

The main operational and legal risks associated with any Feeder Sub-Fund's investment in the Master Fund include, without being limited to, the Feeder Sub-Fund's access to information on the Master Fund, coordination of dealing arrangements between the Feeder Sub-Fund and the Master Fund, the occurrence of events affecting such dealing arrangements, the communication of documents from and to the Master Fund to and from the Feeder Sub-Fund, the coordination of the involvement of the respective depository and auditor of the Feeder Sub-Fund and the Master Fund and the identification and reporting of investment breaches and irregularities by the Master Fund.



Such operational and legal risks will be mitigated and managed by the Management Company, the Depositary and the Independent Auditor, as applicable, in coordination with the depositary, the administrator and the auditor of the Master Fund. A number of documents and/or agreements are in place to that effect, including (1) internal conduct of business rules established by the Management Company, (2) an information sharing agreement between the Depositary and the depositary of the Master Fund, and (3) an information exchange agreement between the Independent Auditor and the auditor(s) of the Master Fund.

#### *Currency Risk*

The Reference Currency of the Feeder Sub-Fund and the Master Fund may differ and the underlying investments of the Master Fund are denominated in a variety of currencies. Generally, the Management Company will not seek to hedge out currency exposure at Feeder Sub-Fund's level (unless specified otherwise in the Sub Fund addendum). Equally, the Management Company will not seek to hedge out any currency exposure at the Master Fund's level. Consequently, the performance of the Feeder Sub-Fund may be strongly influenced by movements in foreign exchange rates because the Reference Currency of the Feeder Sub-Fund will not correspond to that of the Master Fund and may not correspond to the currency of the securities positions held in the Master Fund.

#### *Concentration Risk and Market risk*

Given the feeder nature of the Feeder Sub-Fund it will naturally be concentrated in the Master Fund. Therefore, concentration risks and market risks will mainly occur at the level of the Master Fund. In this respect, investors should carefully read the risks associated with an investment in the Master Fund, as described in the prospectus of the Master Fund.

#### *Investment Management Risk*

The investment performance of the Feeder Sub-Fund is substantially dependent on the investment performance of the Master Fund and, therefore, on the services provided by certain individuals to the Master Fund. In the event of the death, incapacity, departure, insolvency or withdrawal of these individuals, the performance of the Master Fund and, consequently, the Feeder Sub-Fund, may be adversely affected.

#### (xviii) Sustainability risks

##### SPECIFIC INFORMATION RELATED TO ESG AS PER ARTICLE 6 OF SFDR

The risk assessment process is performed as part of the investment analysis, and takes all relevant risks into account, including sustainability risks, defined in Article 2 of SFDR as an ESG event or condition that, upon occurrence, could cause an actual or a potential material negative impact on the value of the investment.

Sustainability risks can also have a negative impact on other risks, further detailed in each Sub-Fund's specific. The aim of integrating sustainability risks in the investment decision process is to identify the occurrence of these risks in a timely manner in order to take appropriate measures to mitigate the impact on the investments or the overall portfolio of the Sub-Funds. The events that may be responsible for a negative impact on the return of the Sub-Funds result from environmental, social and corporate governance factors. Environmental factors relate to a company's interaction with the physical environment such as climate mitigation, social factors include, among others, compliance with employment safety and labour rights and corporate governance factors include, for example, the consideration of employee's rights and data protection.

Additionally, key risk indicators can be used to assess sustainability risks. The key risk indicators can be of quantitative or qualitative nature and are based on ESG aspects and measure the risk of the aspects under consideration.

The main limits to achieving these sustainability risks and ESG criteria objectives include the potential inconsistencies between the ESG strategies of the securities of global companies (e.g. different criteria, approaches, constraints, etc) and the accuracy, completeness and availability of ESG data sources.

## 6. SUB-FUNDS AND SHARES OF THE COMPANY

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Under the Articles of the Company, the Directors have the power to create and issue several different Sub-Funds, whose characteristics may differ from those Sub-Funds then existing.

The Directors shall maintain for each Sub-Fund a separate pool of assets. As between Shareholders, each pool of assets shall be invested for the exclusive benefit of the relevant Sub-Fund. With regard to third parties, in particular towards the Company's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.

Under the Articles of the Company, the Directors have the power to create and issue within each Sub-Fund several different Classes of Shares within each Sub-Fund, whose characteristics may differ from those Classes existing.

The differences between the Classes may relate inter alia to the initial subscription price per share, the Reference Currency of the Class, the types of investors who are eligible to invest, the subscription and repurchase frequency, the charging structure applicable to each of them, the distribution policy or such other features as the Board of Directors may, in their discretion, determine.

Shares will in principle be freely transferable to investors complying with the eligibility criteria of the relevant Class and provided that shares are neither acquired nor held by or on behalf of any person in breach of 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.

Within each Class, the Board of Directors is authorised, without limitation and at any time, to issue additional shares at the respective Net Asset Value per share determined in accordance with the provisions of the Company's Articles, without reserving to existing Shareholders preferential or pre-emptive rights to subscribe for the shares to be issued.

On issue, all shares have to be fully paid up. The shares do not have any par value. Each share carries one vote, regardless of its Net Asset Value and of the Sub-Fund to which it relates.

Shares are only available in registered form. No share certificates will be issued in respect of registered shares; registered share ownership will be evidenced by confirmation of ownership and registration on the share register of the Company.

Fractions of shares may be issued up to ten thousandth of a share. The resultant fractional shares shall have no right to vote but shall have the right to participate pro-rata in distributions and allocation of the proceeds of liquidation in the event of the winding-up of the Company or in the event of the termination of the Company.

The Sub-Funds' specifics in Part B of this Prospectus detail the Classes available in each Sub-Fund.

Upon creation of a new Sub-Fund and Class, the Prospectus will be updated accordingly.

The Board of Directors is empowered to determine - on a case-by-case basis - whether certain investors are or are not to be categorised as institutional investors.

The specifics of each Class in relation to fees and expenses payable and the currency of each Class are indicated in each Sub-Fund's specifics (section "Expenses") in Part B of this Prospectus.

## **7. INCOME POLICY**

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Within each Class of Shares, the Board of Directors may decide to issue accumulating and/or distributing shares. The dividend policy applicable for each Class of Shares or Sub-Fund is further described in each Sub-Fund's specifics in Part B of this Prospectus.

If a dividend is declared by the Company, it will be paid to each Shareholder concerned in the Reference Currency of the relevant Class.

Dividend payments are restricted by law in that they may not reduce the assets of the Company below the required minimum capital.

In the event that a dividend is declared and remains unclaimed after a period of five (5) years from the date of declaration, such dividend will be forfeited and will revert to the Class or Sub-Fund in relation to which it was declared.

## 8. NET ASSET VALUE

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The Net Asset Value per share of each Class will be determined on each Valuation Date as indicated in the Sub-Funds' specifics in Part B of this Prospectus and expressed in the Reference Currency of the respective Class, by the central administrator of the Company by dividing the value of the assets of the Sub-Fund properly able to be allocated to such Class less the liabilities of the Sub-Fund properly able to be allocated to such Class by the number of shares then outstanding in the class on the relevant Valuation Date. The Net Asset Value per share of each Class may be rounded up or down to the nearest two decimals of the Reference Currency of such Class of Shares. The Sub-Funds' specifics in Part B of this Prospectus detail the Valuation Date for each Sub-Fund.

When a Valuation Date falls on a day observed as a holiday on a stock exchange which is the principal market for a significant proportion of the Sub-Funds' investment or is a market for a significant proportion of the Sub-Fund's investment or is holiday elsewhere and impedes the calculation of the fair market value of the investments of the Sub-Funds, the Company may decide that a Net Asset Value will not be calculated on such Valuation Date.

The value of the assets of each Sub-Fund is determined as follows:

1. transferable securities and money market instruments admitted to official listing on a stock exchange or dealt with in on another market in a non-Member State which is regulated, operates regularly and is recognised and open to the public provided, are valued on the basis of the last known price. If the same security is quoted on different markets, the quotation of the main market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establish the probable sales price for such securities;
2. non-listed securities are valued on the basis of their probable sales price as determined in good faith by the Board of Directors or its delegate;
3. Shares or units of UCITS (including any Master Fund) or other UCIs are valued at the latest available net asset value per share;
4. liquid assets are valued at their nominal value plus accrued interest;
5. derivatives are valued at market value;
6. the Board of Directors may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, it considers that such adjustment is required to reflect the fair value thereof;
7. if the Board of Directors deems it necessary, a specific investment may be valued under an alternative method of valuation chosen by the Board of Directors.

Whenever a foreign exchange rate is needed in order to determine the Net Asset Value of a Class, the applicable foreign exchange rate on the respective Valuation Date will be used.

In addition, appropriate provisions will be made to account for the charges and fees charged to the Sub-Funds and Classes as well as accrued income on investments.

In the event it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, such as hidden credit risk, the Board of Directors is entitled to use other generally recognised valuation principles, which can be examined by an auditor, in order to reach a proper valuation of each Sub-Fund's total assets.

The Net Asset Value per share in each Sub-Fund is available at the registered office of the Company and at the Management Company's offices.

The calculation of the Net Asset Value of the shares of any Class and the issue, redemption and conversion of the shares of any Sub-Fund may be suspended by the Board of Directors in the following circumstances:

- following a suspension of the calculation of the net asset value per share of the Master Fund or any other suspension or deferral of the issue, redemption and/or exchange of shares in the Master Fund; or
- during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed, which is the main market or stock exchange for a significant part of the Sub-Fund's investments, for in which trading therein is restricted or suspended; or
- during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible for the Company fairly to determine the value of any assets in a Sub-Fund; or
- during any breakdown in the means of communication normally employed in determining the price of any of the Sub-Fund's investments or of current prices on any stock exchange; or
- when for any reason (i) the prices of any investment owned by the Sub-Fund cannot be reasonable, promptly or accurately ascertained or (ii) the calculation of the net asset value of any relevant Master Fund is suspended; or
- during the period when remittance of monies which will or may be involved in the purchase or sale of any of the Sub-Fund's investments cannot, in the opinion of the Board of Directors, be carried out at normal rates of exchange; or
- following a possible decision to liquidate or dissolve the Company or one or several Sub-Funds; or
- in the case of a merger, if the Board of Directors deems this to be justified for the protection of the Shareholders; or
- in all other cases in which the Board of Directors considers a suspension to be in the best interest of the Shareholders.

The suspension of the calculation of the Net Asset Value and of the issue, redemption and conversion of the shares shall be notified to Shareholders having made an application for subscription, redemption or conversion of shares for which the calculation of the Net Asset Value and of the issue, redemption and conversion of the shares has been suspended.

## 9. ISSUE OF SHARES

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Applications may be made in writing by fax, SWIFT, Noelink or STP addressed to the Registrar and Transfer Agent, the Distributor, the Depositary Bank, the nominee of the Company (the "**Nominee**") or any intermediary situated in a country where the Company is marketed specifying the number of shares or amount subscribed for, the name of the Sub-Fund and Class, the manner of payment and the personal details of the subscriber. Orders sent directly to the Registrar and Transfer Agent can also be sent by SWIFT.

A subscription fee calculated on the Net Asset Value of the shares as specified in each Sub-Fund's specifics and to which the application relates as well as the percentage amount of which is indicated for each Class in the table in Part B of this Prospectus (see section "Expenses" in each Sub-Fund's specifics), may be charged to the investors by the Nominee, the Distributor, any appointed sub-distributor or by the Registrar and Transfer Agent upon a subscription for shares in a Class.

The payment of the subscription price may be made in consideration in kind, subject however to the prior approval of the Board of Directors. Any Subscription in kind shall be subject to the confirmation by an auditor's special report of the valuation of the contributed assets. The related costs shall be borne by the relevant investor.

### 9.1 Initial Subscription Period

The initial subscription period (which may last one day) and price of each newly created or activated Sub-Fund or Class will be determined by the Directors and disclosed in the relevant Sub-Fund's specifics in Part B of this Prospectus.

Payments for subscriptions made during the initial subscription period must have been received in the Reference Currency of the relevant Sub-Fund / Class of Shares by the Company within the time period indicated in the relevant Sub-Fund's specifics in Part B of this Prospectus.

Payments must be received by electronic transfer net of all bank charges.

The Board of Directors may at any time decide the activation of a Class.

Upon activation of a new Class in a Sub-Fund, the price per share in the new Class will, at its inception, correspond to the price per share during the initial subscription period in the relevant Sub-Fund or to the current Net Asset Value per share in an existing Class of the relevant Sub-Fund, upon decision of the Board of Directors.

### 9.2 Subsequent Subscriptions

Following any initial subscription period, the issue price per share will be the Net Asset Value per share on the applicable Valuation Date.

Subscriptions received by the Registrar and Transfer Agent before the applicable cut-off time on a Valuation Date as specified in the Sub-Funds' specifics in Part B of this Prospectus will be dealt with on the basis of the relevant Net Asset Value of that Valuation Date. Subscriptions received by the Registrar and Transfer Agent after such cut-off time on a Valuation Date or on any day which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date. The investor will bear any taxes or other expenses attaching to the application.

All shares will be allotted immediately upon subscription and payment must be received by the Company within the time period as described in each Sub-Fund's specific in Part B of

this Prospectus. If payment is not received, the relevant allotment of shares may be cancelled at the risk and cost of the Shareholder. Payments should preferably be made by bank transfer and shall be made in the Reference Currency of the relevant Class; if payment is made in another currency than the Reference Currency of the relevant Class, the Company will enter into an exchange transaction at market conditions and this exchange transaction could lead to a postponement of the allotment of shares.

Payments made by the investor by cheque are not accepted.

The Board of Directors reserves the right to accept or refuse any subscriptions in whole or in part for any reason and in compliance with the law, before the publication of the Net Asset Value per Share applicable on the Valuation Date concerned.

The issue of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

### 9.3 Minimum Initial Subscription and Holding

Classes dedicated to specific investors, may have a minimum subscription and / or holding amount as indicated in the Sub-Funds' specifics in Part B of the Prospectus. The Company may in its discretion waive this minimum subscription and / or holding amount. In particular, this applies for Shareholders staggering investments over time, reaching above-mentioned thresholds over time.

If, as a result of redemption, the value of a Shareholder's holding in a Class would become less than the relevant minimum holding amount as indicated above, then the Board of Director of the Company may elect to redeem the entire holding of such Shareholder in the relevant Class. It is expected that such redemptions will not be implemented if the value of the Shareholder's shares falls below the minimum investment limits solely as a result of market conditions. Thirty (30) calendar days prior written notice will be given to Shareholders whose shares are being redeemed to allow them to purchase sufficient additional shares so as to avoid such compulsory redemption.

### 9.4 Stock Exchange listing

Shares of different Sub-Funds and their Classes may at the discretion of the Directors of the Company be listed on Stock Exchanges, in particular the Luxembourg Stock Exchange.



## 10. REDEMPTION OF SHARES

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A Shareholder has the right to request that the Company redeems its shares at any time. Shares will be redeemed at the respective Net Asset Value of shares of each Class. Orders sent directly to the Registrar and Transfer Agent can also be sent by swift.

In any case, no redemption will be accepted and executed before having successfully performed all Anti Money Laundering checks. In the case where the acceptance of any redemption order would be delayed for any Anti Money Laundering at the discretion of the Board of Directors, such a redemption order will be executed on the basis of the Net Asset Value of shares immediately applicable on the day of such acceptance without payment of any interest.

A redemption fee calculated on the Net Asset Value of the shares to which the application relates, the percentage amount of which is indicated for each Class in the tables in Part B of this Prospectus (see section "Expenses" in each Sub-Fund's specifics), may be charged to the investors by the Nominee, the Distributor, any appointed sub-distributor or by the Registrar and Transfer Agent upon a redemption for shares in a Class.

Shareholders wishing to have all or any of their shares redeemed at the redemption price on a Valuation Date, should deliver to the Registrar and Transfer Agent before the cut-off time on a Valuation Date as specified in the Sub-Fund's specifics in Part B of this Prospectus, an irrevocable written request for redemption in the prescribed form. Redemption requests received by the Registrar and Transfer Agent after such determined cut-off time on a Valuation Date or on any day, which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date.

All requests will be dealt with in strict order in which they are received, and each redemption shall be effected at the Net Asset Value of the said shares.

Redemption proceeds will be paid in the Reference Currency of the respective Class. Payment will be effected within two (2) days after the relevant Valuation Date and after receipt of the proper documentation.

**Investors should note that any redemption of shares by the Company will take place at a price that may be more or less than the Shareholder's original acquisition cost, depending upon the value of the assets of the Sub-Fund at the time of redemption.**

The payment of the redemption price may be made in consideration in kind at the Board of Directors' discretion, subject however to the prior approval of the concerned Shareholders. The allotment of Fund's assets in respect of redemption for consideration in kind shall be fair and not detrimental to the interests of the other Shareholders of the Company. Any redemption for consideration in kind shall be subject to the confirmation by an auditor's special report of the valuation of the Company and of the Company's assets to be allocated, the costs of which shall be borne by the Company.

The redemption of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

If requests for redemption (and conversion) on any Valuation Date exceed 10% of the Net Asset Value of a Sub-Fund's shares, the Company, at the discretion of the Board of Directors reserves the right to postpone redemption of all or part of such shares to the following Valuation Date. On the following Valuation Date such requests will be dealt with in priority to any subsequent requests for redemption.

### 10.1 Excessive trading and dilution levy

Investments in the Sub-Funds are intended for long-term purposes only. The Company will take reasonable steps to seek to prevent short-term trading. Excessive short-term trading into and out of a Sub-Fund can disrupt portfolio investment strategies and may increase expenses, and adversely affect investment returns, for all Shareholders, including long-term Shareholders.

The value of the property of a Sub-Fund may indeed be reduced as a result of the costs incurred in the dealings in the Sub-Funds' investments.

In order to mitigate against the above-described excessive trading and dilution, and consequent potential adverse effect on remaining Shareholders, the Company has the power to charge a fee upon redemption corresponding to a dilution levy. Any dilution levy must be fair to all Shareholders and the Company will operate this measure in a fair and consistent manner to reduce dilution and only for that purpose.

The Company is unlikely to impose a dilution levy unless the dealing costs relating to a Shareholder transaction are significant and/or will have a material impact on the value of the Sub-Fund in question. Dealing costs (e.g. broker commissions and buy/sell spreads) will be considered significant if they impact the Net Asset Value by maximum 10bps. Any dilution levy would be paid to the Sub-Fund and would become part of the property of the relevant Sub-Fund.

### 10.2 Compulsory redemptions

The Board of Directors may decide to compulsory redeem Shares when:

- a) The Shares are held by Shareholders not authorized to buy or own Shares in the Company, e.g. a Shareholder (or an affiliate of the same) that becomes a US person as referred to in this Prospectus;
- b) In case of liquidation or merger of Sub-Funds or Classes of Shares;
- c) the value of a Shareholder's holding in a Class is less than the relevant minimum holding amount;
- d) In all other circumstances as the Board of Directors may deem appropriate and in the interests of the Company.

Except in the cases b), c) and d) above, the Board of Directors may impose such penalty as it deems fair and appropriate.

## 11. CONVERSION BETWEEN SUB-FUNDS/CLASSES OF SHARES

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Shares of any Class may be converted into shares of any other Class of the same or of another Sub-Fund, upon written instructions addressed to the registered office of the Company or the Distributor. No conversion fee will be charged. Shareholders may be requested to bear the difference in subscription fee between the Sub-Fund they leave and the Sub-Fund of which they become Shareholders, should the subscription fee of the Sub-Fund into which the Shareholders are converting their shares be higher than the fee of the Sub-Fund they leave.

Conversion orders received by the Registrar and Transfer Agent on a Valuation Date before the cut-off time as specified in the Sub-Funds' specifics in Part B of this Prospectus will be dealt with on the basis of the relevant Net Asset Value established on that Valuation Date. Conversion requests received by the Registrar and Transfer Agent after such cut-off time on a Valuation Date or on any day, which is not a Valuation Date will be dealt with on the basis of the Net Asset Value of the next Valuation Date. Conversion of shares will only be made on a Valuation Date if the Net Asset Value of both share Classes is calculated on that day.

The Board of Directors will determine the number of shares into which an investor wishes to convert his existing shares in accordance with the following formula:

$$A = \frac{(B \times C)}{E} * EX$$

A = The number of shares in the new Class of Shares to be issued

B = The number of shares in the original Class of Shares

C = The Net Asset Value per share in the original Class of Shares

E = The Net Asset Value per share of the new Class of Shares

EX: being the exchange rate on the conversion day in question between the currency of the Class of Shares to be converted and the currency of the Class of Shares to be assigned. In the case no exchange rate is needed the formula will be multiplied by one (1).

If requests for conversion on any Valuation Date exceed 10% of the Net Asset Value of a Sub-Fund's shares, the Company reserves the right to postpone the conversion of all or part of such shares to the following Valuation Date. On the following Valuation Date such requests will be dealt with in priority to any subsequent requests for conversion.

The conversion of shares of any Sub-Fund shall be suspended on any occasion when the calculation of the Net Asset Value thereof is suspended.

## **12. LATE TRADING/MARKET TIMING POLICY**

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

The Company does not knowingly allow investments which are associated with market timing or similar practices as such practices may adversely affect the interests of all Shareholders. The Company reserves the right to reject subscription, redemption and conversion orders from an investor who the Company suspects of using such practices and to take, if appropriate, other necessary measures to protect the other investors of the Company.

As set out in the CSSF Circular 04/146, market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset values.

### 13. TAXATION IN LUXEMBOURG

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Under Luxembourg law, there are currently no Luxembourg taxes on income, withholding or capital gains by the Company. The Company is, however, subject to a *taxe d'abonnement* of 0.05% per annum, calculated and payable quarterly, on the aggregate Net Asset Value of the outstanding shares of the Company at the end of each quarter. This annual tax is however reduced to 0.01% on the aggregate Net Asset Value of the shares dedicated to institutional investors.

Shareholders are, at present, not subject to any Luxembourg capital gains, income, withholding, gift, estate, inheritance or other tax with respect to shares owned by them (except, where applicable, Shareholders who are domiciled or reside or have permanent establishment or have been domiciled or have resided in Luxembourg).

Prospective investors should inform themselves as to the taxes applicable to the acquisition, holding and disposition of shares of the Company and to disposition of shares of the Company and to distributions in respect thereof under the laws of the countries of their citizenship, residence or domicile.

#### European Union Directive on the Taxation of Savings Income

The Council of the European Union has adopted Council Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments. The Directive 2003/48/EC entered into force on 1 July 2005.

The Directive 2003/48/EC provides that certain interest payments and investment fund distributions/redemptions made by a paying agent (in the sense of the Directive) situated within a European Union member state, within an associated or dependent territory or a third country (as defined in the Directive) to an individual or certain entities (residual entities within the sense of the Directive) resident in another member state of the European Union or associated or dependant territory will either have to be reported to the tax authorities of the country of establishment of the paying agent or will be subject to a withholding tax depending on the location of the paying agent.

#### Tax implication of the investment into the Master Fund for the Company

The investment into the Master Fund has no specific Luxembourg tax impact.

#### **14. ADMINISTRATIVE AGENT, DOMICILIARY AGENT, DEPOSITARY BANK AND PAYING AGENT**

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The Management Company and the Company have entered into a Central Administration Services Agreement with CACEIS Bank, Luxembourg Branch on 20 November 2015 for an indefinite period of time.

Under the above mentioned Agreement, CACEIS Bank, Luxembourg Branch will provide the Company, under the supervision and responsibility of the Management Company, with services as Administrative Agent and Registrar and Transfer Agent (together Central Administration Agent). It will carry out the necessary administrative work required by law and the rules of the Company and establish and keep books and records including the register of Shareholders of the Company. It will also execute all subscription, redemption and conversion applications and determine the Net Asset Value of the Company.

In consideration of its services as Administrative Agent, CACEIS Bank, Luxembourg Branch will receive an Administrative Agent fee out of the assets of the Company as specified in the Sub-Funds' specifics in Part B of the Prospectus.

CACEIS Bank, Luxembourg Branch will also be the domiciliary agent of the Company, under a Domiciliary Services Agreement concluded on 20 November 2015 for an indefinite period of time.

CACEIS Bank, Luxembourg Branch is acting as Depositary of the Company in accordance with a depositary agreement dated 20 November 2015 as amended from time to time (the "Depositary Agreement") and the relevant provisions of the Law and UCITS rules.

In the event that the Depositary Agreement is terminated, the following provisions shall then apply to the Depositary:

- a new depositary bank must be designated within two (2) months of the termination of the Depositary Bank's contract to carry out the duties and assume the responsibilities of the Depositary Bank, as defined in the agreement signed to this effect;
- if the Company releases the Depositary Bank from its duties, the Depositary Bank shall continue to carry out its duties for the period necessary to assure the complete transfer of all of the Company's assets to the new depositary;
- if the Depositary Bank resigns from its duties, it shall not be released of its obligations until a new depositary bank has been designated and all the Company's assets have been transferred thereto;
- unclaimed dividends shall be transferred to the new depositary bank and/or financial agent (if any).

CACEIS Bank acting through its Luxembourg branch (CACEIS Bank, Luxembourg Branch) is 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. It 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 is a société anonyme incorporated under the laws of Luxembourg, registered with the Register of Trade and Companies under number B91.985, whose registered office

is at 5, allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg. The Depositary is authorised to exercise any banking activities in the Grand Duchy of Luxembourg.

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

In due compliance with the UCITS rules, the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of units of the Company are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;
- (ii) ensure that the value of the units 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 the 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 Investment Fund Law, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to correspondent or 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 Investment Fund Law.

A list of these correspondents /third party custodians is available on the website of the Depositary ([www.caceis.com](http://www.caceis.com), section "Regulatory Watch" / "UCITS V" / "information to unit-holders of UCITS"). 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 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:

- a) identifying and analysing potential situations of conflicts of interest;
- b) recording, managing and monitoring the conflict of interest situations either in:

- 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
- 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 Bank has established a functional, hierarchical and/or contractual separation between the performance of its 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 Sub-Funds 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.

CACEIS Bank, Luxembourg Branch shall also act as paying agent for the Company in connection with the receipt of payments in respect of the issue of shares, the payment of monies in respect of the repurchase of shares and if applicable the payment of dividends.

In consideration of its services as Depositary Bank, CACEIS Bank, Luxembourg Branch will receive a depositary fee out of the assets of the Company as specified in the Sub-Funds' specifics in Part B of the Prospectus.



## 15. MONEY LAUNDERING PREVENTION

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Any Shareholder will have to establish its identity to the Company, the Administrative Agent or to the intermediary which collects the subscriptions, provided that the intermediary is regulated and located in a country that imposes an identification obligation equivalent to that required under Luxembourg law (including the law of November 12, 2004 as amended and the circulars issued by the CSSF).

Such identification shall be evidenced when subscribing for Shares as follows:

In order to appropriately identify the beneficial owners of the funds invested in the Company and to contribute to the fight against money laundering and financing of terrorism, subscription requests to the Company by investors must include:

- in the case of natural persons: a certified and valid copy of the investor 's identity card or passport (certification by one of the following authorities: embassy, consulate, notary, high commission of the country of issue, Police commissioner, Bank domiciled in a country that imposes an identification obligation equivalent to that required under Luxembourg law or any other competent authority) and utility bill;
- for corporate entities: an original or a certified and valid copy of the Articles of incorporation, an extract of the register of commerce, the list of shareholders of the company and the identification documents of those holding more than 25% of the assets of the company (certification by one of the following authorities: embassy, consulate, notary, high commission of the country of issue, Police commissioner, Bank domiciled in a country that imposes an identification obligation equivalent to that required under Luxembourg law or any other competent authority);

This identification obligation applies in the following cases:

- direct subscriptions to the Company;
- subscription via an intermediary which is domiciled in a country in which it is not legally obliged to use an identification procedure equivalent to the one required by Luxembourg law in the fight against money laundering and terrorist financing (including foreign subsidiaries or branches of which the parent company is subject to an identification procedure equivalent to the one required by Luxembourg law if the law applicable to the parent company does not oblige the parent company to ensure the application of these measures by its subsidiaries or branches).

It is generally accepted that professionals of the financial sector resident in a country which has ratified the recommendations of the FATF are deemed to be intermediaries having an identification obligation equivalent to that required under the applicable law. The complete updated list of countries having ratified the recommendations of the FATF is available on [www.fatf-gafi.org](http://www.fatf-gafi.org).

Subscriptions may be temporarily suspended until identification of the investors has been appropriately performed. Failure to provide sufficient or additional information may result in an application not being processed or an investor being rejected.

The Administrative Agent of the Company may require at any time additional documentation relating to an application for shares.

## 16. NOMINEES

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The Company may enter into nominee agreements.

In such case, the Nominee shall, in its name but as nominee for the investor, purchase, request the conversion or request the redemption of shares for the investor and request registration of such operations in the Company's books. However, the investor:

- a) may invest directly in the Company without using the Nominee service;
- b) has a direct claim on its shares subscribed in the Company;
- c) may terminate the mandate at any time with prior written notice.

The provisions under a), b) and c) are not applicable to Shareholders solicited in countries where the use of the service of a nominee is necessary or compulsory for legal, regulatory or compelling practical reasons.

The Company will ensure that the Nominee presents sufficient guarantees for the proper execution of its obligations toward the investors who utilise its services. In particular, the Company will ensure that the Nominee is a professional duly authorised to render nominee services and domiciled in a country in which it is legally obliged to use an identification procedure equivalent to the one required by Luxembourg law in the fight against money laundering and terrorist financing.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise their investor rights directly against the Company, notably the right to participate in general shareholders' meetings, if the investors are registered themselves and in their own name in the Shareholders' register of the Company. In cases where investors invest in the Company through an intermediary investing into the Company in their own name but on behalf of the investors, such as a Nominee, it may not always be possible for the investors to exercise certain Shareholder's rights directly against the Company. Investors are advised to take advice on their rights.

## 17. EXPENSES

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The Company may bear the following expenses, at the Board of Directors' discretion:

- all fees to be paid to the Management Company, the Administrative Agent, the Investment Manager(s) (if any), the Investment Advisor(s) (if any), the Depositary Bank and any other agents that may be employed from time to time;
- all taxes which may be payable on the assets, income and expenses chargeable to the Company;
- standard brokerage and bank charges incurred on the Company's business transactions;
- all fees due to the Auditor and the advisors;
- all expenses connected with publications and supply of information to Shareholders, in particular and where applicable, the cost of drafting, printing, translating and distributing the annual and semi-annual reports, as well as any Prospectuses and key investor information documents;
- all expenses involved in registering and maintaining the Company registered with all governmental agencies, stock exchanges, regulatory or supervisory authority, including for the distribution purposes.
- the remuneration of the Directors, the insurance of Directors if any, and their reasonable out-of-pocket expenses;
- all other fees and expenses incurred in connection with its operation, administration, asset and risk management and distribution.

All recurring expenses will be charged first against current income, then should this not be sufficient, against realised capital gains, and, if need be, against assets.

Each Sub-Fund shall amortise its own expenses of establishment over a period of five years as of the date of its creation. The expenses of first establishment will be exclusively charged to the Sub-Funds opened at the incorporation of the Company and shall be amortised over a period not exceeding five years.

Any costs, which are not attributable to a specific Sub-Fund, incurred by the Company will be charged to all Sub-Funds in proportion to their average Net Asset Value. Each Sub-Fund will be charged with all costs or expenses directly attributable to it.

The different Sub-Funds of the Company have a common generic denomination and one or several investment advisors and/or investment managers. The Board of Directors of the Company determine their investment policy and its application to the different Sub-Funds in question. Under Luxembourg law, the Company including all its Sub-Funds is regarded as a single legal entity. However, pursuant to article 181 of the Investment Fund Law, as amended, each Sub-Fund shall be liable for its own debts and obligations. In addition, each Sub-Fund will be deemed to be a separate entity having its own contributions, capital gains, losses, charges and expenses.

The Company is required to indemnify, out of its assets only, officers, employees and agents of the Company, if any, and the Board of Directors for any claims, damages and liabilities to which they may become subject because of their status as managers, officers, employees, agents of the Company or Board of Directors, or by reason of any actions taken or omitted to be taken by them in connection with the Company, except to the extent caused by their gross negligence, fraud or willful misconduct or their material breach of the provisions of the Prospectus.

## **18. NOTICES AND PUBLICATION**

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Notices to Shareholders are available at the Company's registered office. If required by law, they will be published in the newspaper(s) in Luxembourg and, if required, in the other circulating in jurisdictions in which the Company is registered as the Directors may determine.

The Net Asset Value of each Sub-Fund and the issue and redemption prices thereof will be available at all times at the Company's registered office.

Audited annual reports will be made available at the registered office of the Company no later than four (4) months after the end of the financial year and unaudited semi-annual reports will be made available two (2) months after the end of such period.

All reports will be available at the Company's registered office. The first financial report was an audited financial report dated 28 September 2016.

## **19. LIQUIDATION OF THE COMPANY, TERMINATION OF THE SUB-FUNDS AND CLASSES OF SHARES, CONTRIBUTION OF SUB-FUNDS AND CLASSES OF SHARES**

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### 19.1 Liquidation of the Company

In the event of the liquidation of the Company, liquidation shall be carried out by one (1) or several liquidators (approved by the CSSF) appointed by the meeting of the Shareholders deciding such dissolution and which shall determine their powers and their compensation. The liquidators shall realise the Company's assets in the best interest of the Shareholders and shall distribute the net liquidation proceeds (after deduction of liquidation charges and expenses) to the Shareholders in proportion to their shares in the Company in cash or in kind. Any amounts not claimed promptly by the Shareholders will be deposited at the close of liquidation in escrow with the *Caisse de Consignation*. Amounts not claimed from escrow within the statute of limitations will be forfeited according to the provisions of Luxembourg law.

### 19.2 Termination of a Sub-Fund or a Class of Shares

A Sub-Fund or Class may be terminated by resolution of the Board of Directors of the Company if the Net Asset Value of a Sub-Fund or of a Class is below an amount as determined by the Board of Directors from time to time, or if a change in the economic or political situation relating to the Sub-Fund or Class concerned would justify such liquidation or if necessary in the interests of the Shareholders or the Company. In such event, the assets of the Sub-Fund or Class will be realised, the liabilities discharged and the net proceeds of realisation distributed to Shareholders in proportion to their holding of shares in that Sub-Fund or Class in cash or in kind. Notice of the termination of the Sub-Fund or Class will be given in writing to registered Shareholders and/or will be published in Luxembourg and in other newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine.

In accordance with the provisions of the Investment Fund Law, only the liquidation of the last remaining Sub-Fund of the Company will result in the liquidation of the Company as referred to in the Investment Fund Law. In this case, and as from the event given rise to the liquidation of the Company, and under penalty of nullity, the issue of shares shall be prohibited except for the purpose of liquidation.

Any amounts not claimed by any Shareholder shall be deposited at the close of liquidation in escrow with the *Caisse de Consignation*.

Unless otherwise decided in the interest of, or in order to ensure equal treatment between Shareholders, the Shareholders of the relevant Sub-Fund or Class may continue to request the redemption of their shares or the conversion of their shares, free of any redemption and conversion charges (except disinvestment costs) prior the effective date of the liquidation. Such redemption or conversion will then be executed by taking into account the liquidation costs and expenses related thereto.

### 19.3 Liquidation or reorganisation of the Master Fund

In accordance with articles 79 (4) and 79 (5) of the Investment Fund Law, the Company shall be dissolved and liquidated if the Master Fund is liquidated, divided into two or more UCITS or merged with another UCITS, unless the CSSF approves either (a) the investment of at least 85% of the assets of the Company into units of another master UCITS or (b) the Company's conversion into a UCITS which is not a feeder UCITS within the meaning of the Investment Fund Law.

#### 19.4 Merger of Sub-Funds or Class of Shares to another Sub-Fund or Class of Shares within the Company

Any Sub-Fund may, either as a merging Sub-Fund or as a receiving Sub-Fund, be subject to merger (the "**Merger**") with another Sub-Fund of the Company in accordance with the definitions and conditions set out in the Investment Fund Law. The Board of Directors of the Company will be competent to decide on the effective date of such a Merger. Insofar as a Merger requires the approval of the Shareholders concerned by the Merger and pursuant to the provisions of the Investment Fund Law, the meeting of Shareholders deciding by simple majority of the votes cast by Shareholders present or represented at the meeting, is competent to approve the effective date of such a Merger. No quorum requirement will be applicable.

Notice of the Merger will be given in writing to registered Shareholders and/or will be published in newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine. Each Shareholder of the relevant Sub-Funds or Classes shall be given the possibility, within a period of at least thirty days in advance, to request the redemption or conversion of its shares.

#### 19.5 Merger of Sub-Funds or Class of Shares to another Sub-Fund or Class of Shares of another investment fund

The Company may, either as a merging UCITS or as a receiving UCITS, be subject to cross-border and domestic mergers in accordance with the definitions and conditions set out in the Investment Fund Law. The Board of Directors of the Company will be competent to decide on the effective date of such a Merger. Insofar as a Merger requires the approval of the Shareholders concerned by the Merger and pursuant to the provisions of the Investment Fund Law, the meeting of Shareholders deciding by simple majority of the votes cast by Shareholders present or represented at the meeting is competent to approve the effective date of such a Merger. No quorum requirement will be applicable.

Notice of the Merger will be given in writing to registered Shareholders and/or will be published in any newspaper(s) in Luxembourg and in other newspapers circulating in jurisdictions in which the Company is registered as the Directors may determine. Each Shareholder of the relevant Sub-Funds or Classes shall be given the possibility, within a period of at least thirty days in advance, to request the redemption or conversion of its shares.

## 20. REGULATORY INFORMATION

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### 20.1 Conflicts of Interest

For the purpose of identifying the types of conflicts of interest that arise in the course of providing services and activities and whose existence may damage the interest of the Company, the Management Company will take into account, by way of minimum criteria, the question of whether the Management Company or a relevant person, or a person directly or indirectly linked by way of control to the Management Company, is in any of the following situations, whether as a result of providing collective portfolio management activities or otherwise: (a) the Management Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the Company; (b) the Management Company or that person has an interest in the outcome of a service or an activity provided to the Company or another client or of a transaction carried out on behalf of the Company or another client or, which is distinct from the Company interest in that outcome; (c) the Management Company or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Company; (d) the Management Company or that person carries on the same activities for the Company and for another client or clients which are not UCITS; and (e) the Management Company or that person receives or will receive from a person other than the Company an inducement in relation to collective portfolio management activities provided to the Company, in the form of monies, goods or services, other than the standard commission or fee for that service.

When identifying any potential types of conflict of interests, the Management Company will take into account (a) the interests of the Management Company, including those deriving from its belonging to a group or from the performance of services and activities, the interests of the clients and the duty of the Management Company towards the Company as well as (b) the interests of two or more managed UCITS.

The summary description of the strategies referred to in that paragraph will be made available to the investors on [www.bdlcm.com](http://www.bdlcm.com)

### 20.2. Complaints Handling

Investors of each Sub-Fund of the Company may file complaints free of charge with the Distributor or the Management Company in an official language of their home country. Investors can access the complaints handling procedure on [www.bdlcm.com](http://www.bdlcm.com)

### 20.3. Exercise of Voting Rights

Unless there is a loss of investor protection, the Company will not exercise voting rights in respect of instrument held by the Company in each Sub-Fund. The decision to exercise voting rights is only to be made within the Company's general meeting.

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Company, if the investor is registered himself and in its own name in the Shareholders' register of the UCITS. In cases where an investor invests in the UCITS through an intermediary investing into the UCITS 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 UCITS. Investors are advised to take advice on their rights.

### 20.4 Best Execution

The Management Company will act in the best interests of the managed Company when executing decision to deal on behalf of the managed Company in the context of the man-

agement of their portfolios. For that purpose, the Management Company will take all reasonable steps to obtain the best possible results for the Company, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution).

The relative importance of such factors will be determined by reference to the following criteria: (a) the objectives, investment policy and risks specific to the Company, (b) the characteristics of the order, (c) the characteristics of the financial instruments that are the subject of that order and (d) the characteristics of the execution venues to which that order can be directed.



## 21. DOCUMENTS

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The following documents may be consulted and obtained at the Company's registered office, the Management Company and the Depositary Bank:

- a) the Company's Prospectus;
- b) the Company's KIIDs;
- c) the Company's Articles;
- d) if the Sub-Fund is a Feeder Sub-Fund, the related Master Fund's prospectus, articles of incorporation, annual and semi-annual financial reports and key investor information documents;
- e) the Collective Portfolio Management Agreement between the Company and the Management Company;
- f) the Central Administration Services Agreement between the Management Company and the Administrative Agent;
- g) the Depositary Agreement between the Company and the Depositary Bank;
- h) the Company's annual and semi-annual financial reports.

**PART B: THE SUB-FUNDS**

## **1. Investment Objective and Policy**

### 1.1. Investment objective of the Sub-Fund

The sub-fund "DURANDAL" (the "**Sub-Fund**") is a diversified fund.

It is actively managed in reference to the capitalized index EONIA (EURO OverNight Index Average) in order to deliver an absolute performance above the index. The Management Company has significant discretion over the composition of the Sub-Fund's portfolio (in terms of constituents and allocation). The Sub-Fund may then significantly deviate from the index. The latter may however be used to measure the performance of the Sub-Fund. The index is not consistent with the ESG criteria taken into consideration by DURANDAL. The benchmark Eonia capitalized is provided by an administrator which is, at the time of the present Prospectus, not yet included in the register referred to in Article 36 of the Benchmarks Regulation, since it was for the moment not authorised under this regulation (this information shall be updated in the next version of the Prospectus as the case may be), as per the transitional provisions of article 51 of the Regulation (EU) 2016/1011. A copy of the robust written plans setting out the actions to be taken in the event that this benchmark materially changes or ceases to be provided, produced in compliance with Article 28.2 of the Benchmarks Regulation and put in place by the Management Company, can be requested and obtained free of charge at the Company's registered office.

The Sub-Fund promotes environmental and social characteristics and qualifies as product in accordance with Article 8 of SFDR.

The Reference Currency of the Sub-Fund is in Euro ("**EUR**").

The Sub-Fund capitalizes accrued income.

### 1.2. Investment policy of the Sub-Fund

#### 1.2.1. General description

In order to reach its objective, the Sub-Fund is mainly exposed to both long and short in a diversified portfolio of equity securities from the OECD countries, also via the use of equity derivatives (i.e. listed futures and options, CFDs), hereafter defined as investment universe.

A majority of securities within the portfolio's investment universe are subject to a prior analysis of their profile with regards to Environmental, Social and Governance (ESG) criteria. The non-financial ratings are primarily sourced from an external non-financial research data provider.

The Sub-Fund integrates ESG sustainable investment criteria. The proportion of positions analyzed on the basis of non-financial criteria will be higher than:

- 90% in number of companies with a capitalization of more than €10 billion;
- 75% in number of companies with a capitalization of less than €10 billion.

To be eligible for selection by the Sub-Fund, the average ESG score of the long portfolio (in number of companies) must be higher than the average score of the investment universe.

The Management Company reserves the right to rate issuers in the portfolio and not covered by the provider with its own internal methodology.

More information about the function of the ESG investment methodology, its integration in the investment process, the selection criteria as well as our ESG related policies can be found at the following link: <https://www.bdlcm.com/notre-approche-esg/>.

The Sub-Fund may invest up to 100% of its net assets in currency derivatives.

The Sub-Fund may also invest, on an ancillary basis, in financial derivatives instruments, such as interest rate products (i.e. listed futures) in order to monitor the interest rate risk from cash management products (e.g. treasuries). Such instruments may also be used for the purpose of hedging. These may include, but are not limited to, listed futures, options and over-the-counter ("OTC") instruments (forwards).

The Sub-Fund may also invest in quality credit investment (government bonds or investment grade bonds), mainly for cash management purposes.

As a result, the sensibilities to the several asset classes will be as follows:

- Net sensibility to Rate (duration): +10Yr | -10 Yr
- Net sensibility to Equities (delta): +25% | -10% of net asset value.

The Sub-Fund will not invest more than 10% of its net asset value in other funds.

The Sub-Fund may also invest in financial derivative instruments so as to (i) seek or reduce exposure to the above assets by using financial listed and OTC derivatives instruments such as futures, CFDs, swaps (excluding total return swaps), options, index related derivatives, currency derivatives and credit derivatives (both as a buyer or seller of credits), (ii) for efficient portfolio management or (iii) for hedging purposes.

Lastly, the Sub-Fund DURANDAL will not invest in MBS/ABS, Contingent Convertible Bonds, total return swaps, distressed (i.e. securities which are highly vulnerable to non-payment and the rating of which is below "CCC" according to Standard & Poor's or the equivalent by any other agency) and defaulted (rated "D" by Standard & Poor's or the equivalent by any other agency) securities, and will not seek exposure to the commodity markets nor to distressed and defaulted securities (as defined above).

#### 1.2.2. Portfolio construction

In order to achieve the Investment Objective, the Sub-Fund will mainly invest in equity and equity-like securities that are traded primarily on developed OECD countries (but may also or alternatively trade on major global exchanges), and derivatives whose values are based upon such securities. These securities must meet certain criteria including levels of market capitalization (minimum 200 million Euros), daily liquidity and for short investments through derivatives, stock borrow availability and loan fees.

Although the number of long investments held within the portfolio and the number of short positions held within the portfolio will not generally greatly differ, there is (i) no obligation to maintain equality (or near equality) of long and short positions, and (ii) no restriction on the number of long positions or short positions that form the Sub-Fund's portfolio. The Management Company's intention is that the portfolio will generally be comprised of between 50 and 250 long investments, and between 50 and 250 short investments. While there is no limit on the potential gross exposure of the portfolio, upon each rebalance date the Management Company generally intends to rebalance the portfolio to achieve between 200% and 300% gross exposure. In any case the net exposure will be maintained between +25% and -10%.

The frequency of rebalancing will be at the discretion of the Management Company. It is anticipated that rebalancing will take place no less frequently than quarterly, although rebalancing may take place as frequently as daily. Any rebalancing may relate to the entire portfolio or may relate only to a certain position, or certain positions, within the portfolio.

### 1.2.3. Strategies implemented

The main strategy is a quantitative fundamental strategy using the Management Company equity analysts' models and other external data such as prices, news, etc.

This quantitative fundamental modeling will be used both for direct stock selection and for factor modeling. When using factors modeling, the Sub-Fund will be referring, among other, to:

- Value: Value strategies favor investments that appear cheap over those that appear expensive based on fundamental measures related to price, seeking to capture the tendency for relatively cheap assets to outperform relatively expensive assets.
- Quality: Quality strategies favor investment that appear solid over those that appear dangerous based on fundamental measures related to balance sheet, profitability, management, seeking to capture the tendency of safe investment to outperform less safe investments.
- Momentum: Momentum strategies favor investments that have performed relatively well over the medium-term, seeking to capture the tendency that an asset's recent relative performance will continue in the near future.
- Carry: Carry strategies favor investments with higher yields, seeking to capture the tendency for higher-yielding assets to provide higher returns than lower-yielding assets.

## 2. Risk Profile

The risk profile of the Sub-Fund is as follows:

- Capital risk: Yes.

The capital is not guaranteed. Investors' capital initially invested may not be returned.

- Credit risk: Yes.

The Sub Fund may be entirely exposed to credit risk inherent to private issuers. In the event of their downgrading or default, the value of debt instruments may fall and may consequently cause the net asset value of the Sub Fund to also fall as a result.

- Interest rate risk: Yes.

The Sub Fund may, at any moment, be entirely exposed to interest rate risk, as its sensitivity to interest rates may vary pursuant to the fixed-income securities held. The net asset value of the Sub Fund may fall if interest rates rise. The net sensibility to interest rate will be between +10 and -10 years.

- Risk arising from discretionary management: Yes.

The discretionary management style is based on anticipating the fluctuations of different markets (equity, bonds). There is a risk that, at any given point in time, the Sub Fund will not be invested in the best-performing markets.

- Risk related to the use of derivative instruments: Yes.

The Sub Fund may invest in derivative instruments for exposure purposes. The net asset value of the Sub Fund may therefore fall to a larger extent than the markets to which it is exposed.

- Counterparty risk: Yes.

The Sub Fund may engage in transactions with counterparties holding, for a certain period, cash or assets. Counterparty risk may be generated using derivatives or security lending/borrowing transactions. The Sub Fund therefore faces the risk that the counterparty will not implement the transactions ordered by the Management Company, as a result of insolvency or, amongst others, default of the counterparty. As a result, the net asset value of

the Sub Fund may fall. This risk is managed through the selection process for counterparties in both intermediated operations and over-the-counter transactions.

➤ Liquidity risk: Yes.

Liquidity, in particular as regards over-the-counter markets, may sometimes be limited. In particular, in turbulent market conditions, the prices of portfolio securities may be subject to important fluctuations. It may be sometimes difficult to close certain positions under favourable terms over several consecutive days.

It cannot be guaranteed that the liquidity of financial instruments and assets of the Sub Fund will always be sufficient. The assets of the Sub Fund may indeed be subject to unfavourable fluctuation on the markets, which may make more difficult the possibility to adjust positions under favourable terms.

➤ Risk related to a change of tax regime: Yes.

Any change in the tax legislation of the country where the Sub Fund is established, authorised for distribution or listed may affect the tax treatment of investors.

➤ Equity risk: Yes.

The Sub Fund may have an exposure to the equity market. Consequently, the net asset value of the Sub Fund may fall in case of market fall. The net sensibilities to equities will be between +25% and -10% of net asset value.

➤ Currency risk: Yes.

The Sub Fund may be exposed to currency risk proportionally to the part of its net assets invested out of the Eurozone and not hedged against this risk. The net asset value of the Sub Fund may fall as a result.

➤ Sustainability risk: Yes

The Sub-Fund may be exposed to sustainability risk, which may represent a risk of its own and/or have an impact on other Sub-Fund's risks while negatively impacting its returns.

➤ Risk related to the investment in mid-caps shares: Yes.

Subscribers' attention is drawn to the fact that the mid-cap markets have a reduced volume of stock exchange listed securities. Therefore, declines can be more important and faster than for large caps. The net asset value may therefore decline rapidly and significantly.

For the purpose of implementing the investment objective and policy above, the Sub-Fund may use some techniques and instruments (such as CFDs) to gain exposure to securities which fulfil the characteristics described in the investment strategy or to hedge the portfolio. The Sub-Fund will also enter into over-the-counter derivative instruments with a limited number of identified counterparties, which may trigger counterparty risks.

They will have the following characteristics:

- The underlying assets will consist in indices, single issuers, interest rates or currencies, in which the Sub-Fund may invest in accordance with its investment policy.
- The counterparties to the over-the-counter transactions will be high credit quality financial institutions, either credit institutions subject to prudential standards or not. The Sub-Fund will appoint a limited number of counterparties, such as CACEIS Bank, Luxembourg Branch, Goldman Sachs International and JP Morgan, and may change them in the future. Details of counterparties will be disclosed in the annual report of the Company. Such counterparties do not have any discretion over the composition or management of the Sub-Funds' portfolio or over the underlying assets of financial derivative instruments used by a Sub-Fund.

- The risk exposure to counterparties arising from these techniques and OTC derivative transactions should be combined when calculating the counterparty risk limits Article 52 of Directive 2009/65/EC as well as the internal risk limits. These limits will be closely monitored on a daily basis as part of the risk management process in place. CFDs are open-ended transactions, so they can be unwound at all times, meaning that as soon as the cumulated mark-to-market value gets close to the internal risk limits set forth by the Management Company, which are below the limits in Luxembourg regulations and article 52(1) of the UCITS Directive, such instruments can be terminated upon decision of the Management Company and un-realized profits/losses paid respectively to the Sub-Fund or counterparties. As a consequence, the Sub-Fund will not need to collateralise these OTC transactions and the Sub-Fund will be able to comply at all times with the limits set forth in Luxembourg regulations.

The Sub-Fund is likely to have a high volatility due to the above described use of financial derivative instruments and of portfolio management techniques.

The Sub-Fund's global exposure is calculated through the "Value-at-Risk" Approach and is limited to a maximum of 20% of net asset value on a 20 days holding period and with a 99% confidence interval.

The Management Company's risk management process applicable to the Sub Fund reflects the investment objectives and policy of the Sub Fund. Upon request, Shareholders can receive further information from the Management Company in relation to the Sub Fund's risk management. These risks are further described in section "Risk factors" of Part A of this Prospectus.

The Sub-Fund will also seek a 8% maximum annualised volatility target over the long term. This will be used to define the synthetic risk indicator in the Key Investor Information documents relating to the Sub-Fund and respective Classes of Shares.

The strategy will use, in most market environment, a level of leverage - as per the "Sum of Notional" approach - as required by the UCITS Rules - of 350% maximum. In particular, such high level of leverage is due to the significant use of derivatives instruments made in order to get long or short exposures on the target investments of the Sub-Fund, to the significant use of options structured as spread in the Forex and rate market in order to contain the maximum risk of the Sub-Fund and also to hedge the risks inherent to the Sub-Fund.

Furthermore, the level of leverage used - as per the commitment approach - will reach 350% maximum. This level of leverage reflects the use of all derivative instruments within the portfolio of the Sub-Fund.

Shareholders should note that the "Sum of Notional" calculation method of the expected level of leverage does not make a distinction as to the intended use of a derivative e.g. being either hedging or investment purposes. The "Sum of Notional" calculation typically results in a higher leverage figure than for the commitment approach calculation predominantly due to the exclusion of any netting and/or hedging arrangements. An expected level of leverage does not necessarily represent an increase of risk in the Sub-Fund as some of the derivative instruments used may even reduce the risk. However, the expected leverage level could be higher under exceptional circumstances.

Upon request of an investor, the Management Company will provide additional information relating to the quantitative limits that apply in the risk management of the Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments.

### **3. Profile of the Typical Investor**

The Sub-Fund is marketable to all eligible investors provided they can meet the minimum age and subscription levels. The Sub-Fund may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to seek to achieve defined investment objectives. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital, thus the sub-fund may be suitable for investors who are looking to set aside the capital for about 4 to 5 years. If you are uncertain whether these products are suitable for you, please contact your professional adviser.

Investors should be aware that the Sub-Fund will use a high level of leverage to meet its investment objective. Such high leverage may accentuate falls in the Net Asset Value where the markets move against the Sub-Fund and thereby increase losses. The cumulative effect of the use of leverage by the Sub-Fund, directly or indirectly, in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to the Sub-Fund that would be greater than if leverage were not employed by such Sub-Fund. The Sub-Fund might lose a significant part or all of its initial investment. The use of leverage is integral of the Sub-Fund's strategies, and the Sub-Fund may depend on the availability of leveraging agreements with counterparties. There can be no assurance that the Sub-Fund will be able to maintain adequate leveraging arrangements under all market circumstances.

#### **4. Valuation Date**

Valuation Date of the Sub-Fund is each Bank Business Day. The operational calculation of the Net Asset Value per share will take place on the Bank Business Day in Luxembourg following such Valuation Date.

If the Valuation Date of the Sub-Fund is not a Bank Business Day in Luxembourg, the Valuation Date will be the next Bank Business Day in Luxembourg.

#### **5. Subscription**

##### **5.1. Initial subscription**

The Sub-Fund has been launched on 07 November 2016.

##### **5.2. Subsequent subscription / cut-off time**

Shares are available for subsequent subscriptions on each Valuation Date on a forward pricing base.

Applications for Shares must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day before the Valuation Date until the cut-off time fixed at 14:00 (2 pm) Luxembourg time to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for shares received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Subscriptions may be made in both amounts and in a number of Shares. The subscription amount to be paid by investors must be received by the Company or its delegates at the latest two (2) Bank Business Days following the applicable Valuation Date. Any order for which the proceeds have not been received by the Company by the above cut-off time will be dealt with on the next Valuation Date.

The Directors may, at their sole discretion, accept subscriptions below minimum as stated in the table below.

#### **6. Redemption / cut-off time**



Shareholders are entitled to redeem their Shares on each Valuation Date on a forward pricing base. Applications for redemptions must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until the cut-off time fixed at 14:00 (2 pm) Luxembourg time before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for redemptions received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

Redemptions may be made in both amounts and in a number of Shares. The redemption amounts to be paid to the investors must be received by those investors at the latest two (2) Bank Business Days following the applicable Valuation Date.

#### **7. Conversion /cut-off time**

Applications for conversion must be received by the Registrar and Transfer Agent at the latest one (1) Bank Business Day until 14:00 (2 pm) Luxembourg time before the relevant Valuation Date to be dealt with on the basis of the Net Asset Value per Share applicable on that Valuation Date. Applications for conversion received by the Registrar and Transfer Agent after that cut-off time will be dealt with on the next Valuation Date.

#### **8. Share Classes available**

The Classes available in this Sub-Fund are listed in the table below. The Classes are accumulating classes according to information in section "Income Policy" in Part A of this Prospectus.

Classes	Income policy	Currency	Hedged against currency exposure	Investors	Minimum initial subscription and holding amount	Initial share amount
<b>I</b>	Capitalization	EUR	No	Institutional investors	EUR 100,000	EUR 100
<b>B</b>	Capitalization	EUR	No	All investors	EUR 100	EUR 100
<b>GP</b>	Capitalization	EUR	No	Investors* subscribing through distributors and intermediaries: - for which all rebates are forbidden under national regulators (e.g. UK and Holland), or - giving either an investment advice defined by MIFID 2 or a discretionary mandate, and - having an agreement with the management company	EUR 100	EUR 100

E	Capitalization	EUR	No	<p>Investors (*) subscribing until the minimum of aggregate amount of subscriptions net of redemptions and of the previous total net assets under management of this share class reaches a total of EUR 50,000,000(**), through distributors and intermediaries:</p> <ul style="list-style-type: none"> <li>- for which all rebates are forbidden under national regulators (e.g. UK and Holland),</li> <li>or</li> <li>- giving either an investment advice defined by MIFID 2 or a discretionary mandate,</li> <li>and</li> <li>- having signed an agreement with the management company</li> </ul>	EUR 100	EUR 100
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(\*) Firm investing all or part of its assets in financial securities and investors subscribing through distributors or intermediaries (including Financial firms, management companies, bank and insurers) as defined by MiFID II.

(\*\*) In the case where the EUR 50,000,000 cap is reached, E Class will be soft closed. However, existing investors in that Class will still be entitled to subscribe up to a capacity of EUR 100,000 per Valuation Date. In the case where the aggregate amount of subscription orders received on a Valuation Date would exceed EUR 100,000, each E Class shareholder's subscription order will be reduced accordingly on a pro rata basis. The portion of the subscription order that will not be executed on that Valuation Date will be cancelled.

The Company may in its discretion waive the above-mentioned minimum initial subscription or maximum capacity or require a minimum holding amounts. In such latter case, the Company will ensure that concerned investors are equally treated.

## 9. Expenses

Fees & expenses	Classes of Shares			
	I	B	GP	E
Max. Subscription Fee <sup>(1)</sup>	3%	3%	3%	3%
Max. Redemption Fee <sup>(1)</sup>	3%	3%	3%	3%
Conversion Fee	None	None	None	None
Max. Management Fee	0.9%	1.50%	0.9%	0.5%
Performance Fee (as detailed below)	20% of the performance over EONIA (capitalized) <sup>(2)</sup>	20% of the performance over EONIA (capitalized) <sup>(2)</sup>	20% of the performance over EONIA (capitalized) <sup>(2)</sup>	20% of the performance over EONIA (capitalized) <sup>(2)</sup>
Max. Administrative Agent Fee <sup>(3)</sup>	0.04%	0.04%	0.04%	0.04%
Max. Depository Fee <sup>(4)</sup>	0.05%	0.05%	0.05%	0.05%
Annual Tax	0.01%	0.05%	0.05%	0.05%

(1) At the discretion of the Management Company or the Distributor, according to the marketing arrangements in place.

(2) The benchmark Eonia capitalized is provided by an administrator which is, at the time of the present Prospectus, not yet included in the register referred to in Article 36 of the Benchmarks Regulation, since it was for the moment not authorised under this regulation (this information shall be updated in the next version of the Prospectus as the case may be), as per the transitional provisions of article 51 of the Regulation (EU) 2016/1011. A copy of the robust written plans setting out the actions to be taken in the event that this benchmark materially changes or ceases to be provided, produced in compliance with Article 28.2 of the Benchmarks Regulation and put in place by the Management Company, can be requested and obtained free of charge at the Company's registered office.

(3) Minimum Administrative Agent Fee of EUR 7,200 per annum.

(4) Minimum Depository Fee of EUR 12,000 per annum.

The Management Company may be entitled to receive a performance fee of 20% on net effective value creation for the portion exceeding the performance of a reference fund that replicates the maximum between zero and the performance of the capitalized EONIA and which would have the same subscriptions/redemptions attributable to each unit over the calculation period as defined below (the "Calculation Period").

- Performance fees are accrued on each Net Asset Value;

At the beginning of each Calculation Period, the starting Net Asset Value of the calculation is the closing value of the previous Calculation Period.

- The performance fee is payable to the Management Company in arrears at the end of each Calculation Period within 30 business days. However, in the case of redemptions during a Calculation Period, the performance fee for such units will be pro-rated and will be crystallized and paid monthly together with the management fees from the Valuation Date applicable to this redemption. In the same way, if the Class of Shares is liquidated before the end of a Calculation Period, the performance fee for the Calculation Period will be calculated and paid at the end of the liquidation date.

- The Calculation Period is annual, starting from the last Net Asset Value of September each year and ending at the last Net Asset Value of September on the following year. Exceptionally, the first initial Calculation Period for each unit will be of maximum 12 months and will start on the launch date of that unit and at the last Net Asset Value of September on the following year.

- In addition, for a Calculation Period, the Management Company cannot receive more than 20% of the net value creation exceeding the one of a second reference fund which would have for first net asset value per share the maximum of the closing net asset value per share of the first calculation period preceding the previous Calculation Period and of the closing net asset value per share of the second calculation period preceding the previous Calculation Period as defined above and the same subscription / redemption transactions attributable to each respective Class of Shares DURANDAL during this and the prior Calculation Periods. This second condition can only decrease the performance fee received by the Management Company.

All or part of the above expenses of the Sub-Fund, including those mentioned under section 17 "Expenses" of this Prospectus, may be paid by the Management Company at its discretion and on behalf of the Company.

An investor who subscribes, converts or redeems shares through paying agents may be required to pay fees connected to the transactions processed by said paying agents in the jurisdictions in which shares are offered.

The Key Investor Information Document(s) issued for the Classes of Shares also contain additional information on ongoing charges incurred by the Sub-Fund.

## **Appendix 1 – Important information for investors in Switzerland**

### **1. Representative**

The representative in Switzerland is CACEIS (Switzerland) SA, Route de Signy 35, CH-1260 Nyon.

### **2. . Paying agent**

The Swiss Paying Agent is CACEIS Bank, Paris, Nyon Branch / Switzerland, Route de Signy 35, CH-1260 Nyon.

### **3. Location where the relevant documents may be obtained**

The prospectus, the Key Investor Information Document, Articles of association, as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

### **4. Publications**

Publications concerning the foreign collective investment scheme are made in Switzerland in fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)).

The issue and redemption prices and / or the book value, with a mention reading “excluding commissions”, of all share classes are published on fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)) whenever shares are issued or redeemed. Prices are published every day.

### **5. Payment of retrocessions and rebates**

The Management Company and its agents may pay retrocessions as remuneration for distribution activity in respect of fund units in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- Marketing and distribution activity in or from Switzerland;
- Storage of investor-related data and documents in accordance with the relevant regulations;
- Investor relations, including the management of requests and complaints and communication to the Company and its agents;
- Communication of fund documents to investors (including annual and semi-annual reports, articles of association or equivalent, prospectus and KIID)
- Communication of marketing and advertising materials to prospective clients in accordance with the relevant regulations;
- Providing investment advice to prospective clients in accordance with the relevant regulations; and
- Preparation of investor due diligence files, monitoring of compliance with anti-money laundering procedures and verification of “Know Your Client” documents, in accordance with regulatory compliance requirements.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution. On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

In respect of distribution in or from Switzerland, the Management Company and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the fund.

#### **6. Place of performance and jurisdiction**

In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the Representative.