



NB

Investment Fund under Luxembourg law  
("Fonds Commun de Placement")  
RCS Luxembourg K000130

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Prospectus  
November  
2023

## INTRODUCTION

NB (hereinafter also referred to as the "**Fund**") is a mutual investment fund, qualifying as a "*fonds commun de placement*" ("**FCP**") with one or more Sub-funds (each a "**Sub-Fund**" and together the "**Sub-Funds**") under the laws of the Grand Duchy of Luxembourg, which envisages to invest in a diversified range of transferable securities and/or other liquid financial assets permitted by law, in conformity to the investment policy of each particular Sub-fund.

The Fund is an Undertaking for Collective Investment in Transferable Securities (a "**UCITS**") for the purpose of the Council Directive 2009/65/CE, as amended ("**UCITS Directive**"). The Fund is registered in the Grand Duchy of Luxembourg pursuant to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (the "**UCI Law**"). However, such registration does not imply a positive assessment by the Luxembourg supervisory authority of the content of the current prospectus (the "**Prospectus**") or of the quality of the units of the Fund (the "**Units**") offered for sale. Any representation to the contrary is unauthorised and unlawful.

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

The distribution of this Prospectus and the offering of the Units may be restricted in certain jurisdictions. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to subscribe for Units pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdictions. Potential subscribers or purchasers of Units should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, conversion or sale of Units.

Any information not mentioned in this Prospectus should be regarded as unauthorized. The information contained in this Prospectus is considered to be accurate at the date of its publication. To reflect material changes, this Prospectus may be updated from time to time and potential subscribers should enquire of the management company of the Fund (the "**Management Company**") as to the issue of any later prospectus.

The board of the Management Company (the "**Management Company Board**") is held responsible for the information contained in this Prospectus and has taken all reasonable care to ensure that at the date of this Prospectus the information contained herein is accurate and complete in all material respects. The Directors accept responsibility accordingly.

Applications for Units will only be considered on the basis of this Prospectus. Copies of the current Prospectus, the Key Information Document (KIDs) and the latest periodical reports (audited annual report and unaudited semi-annual report) may be obtained free of charge from the registered office of the Management Company during normal business hours on any Business Day.

Copies of this prospectus, the KIDs and the latest periodical reports of the Fund are also available online at [www.nspgroup.com](http://www.nspgroup.com) or upon request at the following email address [lux-fundoversight@nspgroup.lu](mailto:lux-fundoversight@nspgroup.lu).

The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Fund have not changed since the date hereof.

A KID for each available Class of Units must be made available to investors free of charge prior to their subscription for Units. Prospective investors must consult the KID for the relevant Class of Units in which they intend to invest. Requests for subscription or conversion of Units will be accepted upon verification by the Management Company that the (prospective) Unitholder has received the relevant KID available as mentioned above.

The Management Company Board reserves the right to apply in the future for listing the Units on the Luxembourg Stock Exchange or any other securities exchanges.

Any reference to "**EUR**" or "**Euro**" in the Prospectus refers to the lawful currency of the European Union Member States which adopted the Euro.

### **Prevailing language**

The distribution of this Prospectus and the KID in certain countries may require that these documents be translated into the official languages of those countries. Should any inconsistency arise between the translated versions of this Prospectus, the English version will always prevail.

### **Data Protection**

Investors are informed that personal data (i.e. any information relating to an identified or identifiable natural person) (the "**Personal Data**") provided in connection with an investment in the Fund (the "**Data Controller**") will be processed by the Fund and the Management Company, the Administrator, the Depositary Bank or the approved statutory auditor, their affiliates and agents including the Global Distributor and Distributors (together the "**Entities**") in accordance with data protection law applicable in Luxembourg (including, but not limited to (i) the amended Law of 2 August 2002 on the protection of persons with regard to the processing of Personal Data, (ii) Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of Personal Data and on the free movement of such data (the "**General Data Protection Regulation**"), as well as (iii) any law or regulation relating to the protection of Personal Data applicable to them) (together the "**Data Protection Laws**").

The Entities may act as data processors on behalf of the Data Controller (or, as applicable by law, other controllers) or as controllers in pursuing their own purposes of (i) offering and managing investments and performing the related services (ii) developing and processing the business relationship with the Processors, and (iii) if applicable direct or indirect marketing activities. The Entities shall declare that, in the event of any sub-processing of such processing they will oblige their sub-contractor (the "**Authorised Third Party**") to respect the same level of protection of Personal Data.

Such arrangements will not relieve the Entities of their obligations of protection, notably in the event of the transfer of personal data outside the European Economic Area ("**EEA**").

Subscribers may refuse to communicate their Personal Data to the Data Controller and the Entities and consequently prevent it from using such data. However, this might result in the impossibility for these persons to become Investors of the Fund. Failure to provide relevant Personal Data requested in the course of their relationship with the Fund may prevent an Investor from exercising its rights in relation to its Units and maintaining its holdings in the Fund. This failure may also need to be reported by the Fund, the Management Company and/or the Administrator to the relevant Luxembourg authorities to the extent permitted and/or required by applicable law.

A beneficial owner shall however provide the Fund with the relevant Personal Data in relation to the Luxembourg Law of 13<sup>th</sup> January 2019 creating a registrar of beneficial owners (the "**RBO Law**") and shall inform the Fund of any change thereof. In case of failure to fulfil these obligations under the RBO Law, the relevant beneficial owner may incur penalties in accordance with such law. It may also be prevented from maintaining its holdings in the Fund.

The processed Personal Data include, but is not limited to, the name, address, date and place of birth, nationality, national identification number, transaction history of each Investor, e-mail address, bank and financial data, data concerning personal characteristics and data concerning source of wealth, or record of any telephone conversation (including for record keeping as proof of a transaction or related communication in the event of a disagreement and to enforce or defend the Controller's and Entities' interests or rights in compliance with any legal obligation to which they are subject. Such recordings may be produced in court or other legal proceedings and permitted as evidence with the same value as a written document and will be retained for a period of 10 years starting from the date of the recording. The absence of recordings may not in any way be used against the Controller and Entities).

Personal Data provided by Investors are processed notably in order to (i) update the Fund's register of Investors, (ii) process subscriptions, redemptions, and conversions of Units as well as the payment of dividends to Investors, (iii) ensure controls in terms of late trading and market timing operations, (iv) comply with the applicable rules regarding the prevention of money laundering and terrorist financing or

(v) meet the purposes of the legitimate interests pursued by the Fund for direct marketing purposes relating to the Fund's products and services, to conduct surveys (including developing commercial offers).

In particular in relation to point (iv) above and pursuant to the RBO Law, the Fund will be required to provide (and keep up-to-date) the Luxembourg Registrar of Beneficial Owners ("**RBO**") with the following information on any natural person controlling ultimately (directly or indirectly) the Company or holding more than 25% of the Units or of voting rights: name and first name, date and place of birth, nationality, country of residence, private or professional address, national identification number (NIN) and nature and extent of the beneficial interest held.

**Such data may be accessed by any national authorities as well as by the general public (except for the NIN and the nature and extent of the beneficial interest held for which specific exemptions are required) under the conditions set forth by the RBO Law.**

The Data Controller and the Entities collect, store, process, and use, electronically or by other means, the Personal Data provided by Investors in order to fulfil their respective legal obligations. In this respect, in application of the legal obligations including legal obligations under applicable company law, anti-money laundering legislation, FATCA regulations as well as legislation for the purpose of application of the standard for Automatic Exchange of Financial Account Information developed by OECD, the information on the subscribers identified as subject to reporting as defined by these laws will be included in an annual declaration to the Luxembourg tax authorities. If applicable, they will be informed thereof by the Administrator at the very least before the declaration is sent and in sufficient time to exercise their data protection rights (within 1 month or extended period of two other months if necessary).

Investors acknowledge and accept that the Fund, the Management Company and/or the Administrator will report any relevant information in relation to their investments in the Fund to the Luxembourg tax authorities (*Administration des Contributions Directes*) which will exchange this information on an automatic basis with the competent authorities in the United States of America or other permitted jurisdictions as agreed in the FATCA Law, the CRS Law or similar laws and regulations in Luxembourg or at EU level.

Investors must expressly accept the use of their Personal Data for commercial purposes. The Data Controller and the Entities may use the Personal Data to regularly inform Investors about other products and services that the Data Controller and the Entities believe to be of interest to the Investors, unless the Investors have indicated to the Data Controller and the Entities in writing that they do not wish to receive such information.

The Data Controller and the Entities may also transfer the Personal Data of Investors to entities located outside the European Union that may not have developed a suitable level of data protection legislation. To this extent, the Data Controller and the Entities shall comply with the Luxembourg data protection law with regard to the protection of Personal Data. The Data Controller undertakes not to transfer Personal Data to any third party other than an Authorised Third Party unless it is required by law or with the prior approval of the Investor considered.

Upon written request, the Data Controller shall also allow Investors to access to their Personal Data provided to the Fund.

The Investor has the right to:

- access his/her Personal Data;
- correct his/her Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her Personal Data;
- ask for erasure of his/her Personal Data;
- ask for Personal Data portability under certain conditions.

The Unitholder also acknowledges the existence of his/her right to lodge a complaint with the National Commission for Data Protection (<https://cnpd.public.lu/en/particuliers/faire-valoir/formulaire-plainte.html>).

Personal Data shall not be retained for longer than the time required for the purpose of its processing, subject to the legal limitation periods.

Insofar as the Personal Data provided by Investors include Personal Data of their representatives and/or authorised signatories and/or Investors and/or ultimate beneficial owners, the Investors confirm having secured its/their consent to the processing of their Personal Data as above described and, in particular, to the disclosure of their Personal Data to, and the processing of their Personal Data by, the various parties referred to above including in countries outside the European Union.

The Fund will accept no liability with respect to any unauthorised third party receiving knowledge of and/or having access to the Investors' Personal Data, except in the event of gross negligence or willful misconduct of the Fund.

Attention of Investors is drawn to the fact that information relating to the processing of Personal Data (the "**Personal Data Protection Policy**") is subject to update and/or modification.

For any additional information related to the processing of their Personal Data, the investors can contact the Fund at its registered address via post mail at NS Partners Europe S.A, 11, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg or via email at [dpo-lux@nspgroup.com](mailto:dpo-lux@nspgroup.com)

## **IMPORTANT INFORMATION**

If you are in any doubt about the content of this Prospectus and KID, you should consult your stockbroker, solicitor, accountant or other financial advisor. No person is authorized to give any information other than that contained in this Prospectus and KID, or any of the documents referred to herein that are available for public inspection at the registered office.

The value of Units may go down as well as up. The Management Company is obliged to redeem Unitholders' Units at the relevant redemption price, which may be different from the price at which the Units were acquired by the Unitholders.

### **Historical Performance**

The Sub-Funds present their performance as average annual total return, reflecting all charges and expenses accrued by the relevant sub-fund. Performance does not include any adjustments for sales charges and does not consider any tax consequences to Unitholders as a result of investing in units.

The Sub-Funds, when presenting their average annual total return, also may present their performance using other means of calculation and may compare their performance to various benchmarks and indices.

Past performance is not necessarily indicative for future results. Past performance of the sub-funds launched since a full year or more at the date of the present prospectus is disclosed for each sub-fund in the relevant KID issued for such Sub-Fund.

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## DEFINITIONS

**"2004 Law"** means the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended.

**"Administrator"** means the central administration, registrar and transfer agent appointed by the Management Company in accordance with the provisions of the UCI Law and the Administration Agreement, as identified in the Directory.

**"Administration Agreement"** means the agreement entered into between the Management Company and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.

**"AML/CFT Regulations"** international and Luxembourg laws and regulations regarding Anti-Money Laundering and Counter Terrorist Financing, including in particular with the 2004 Law, the Grand-ducal regulation of 1 February 2010 providing details on certain provisions of the 2004 Law, the CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended, and further implementing regulations and CSSF circulars in the field of AML/CFT, adopted from time to time

**"Annual Reports"** means the annual reports of the Fund.

**"Auditor"** means the auditor of the Fund.

**"Business Day"** means any full working day in Luxembourg when the banks are open for business.

**"Class"** or **"Classes"** means one or more classes of Units of a Sub-fund.

**"Conversion Commission"** means the conversion commission specified for each Sub-fund in Appendix IV.

**"CSSF"** means the *Commission de Surveillance du Secteur Financier*, the Luxembourg supervisory authority for the financial sector, or any successor authority from time to time.

**"Depositary"** means an agent that has been appointed as depositary of the Fund.

**"Directors"** means the directors of the Management Company.

**"Euro"** or **"EUR"** means the lawful currency of the European Union Member States which have adopted the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

**"FCP"** means *"fonds commun de placement"*.

**"Financial Techniques and Instruments"** means the financial techniques and instruments as specified in Appendix II.

**"Fund"** means the NB.

**"Initial Price"** means the price for which the first subscriptions for the relevant Sub-fund have been accepted, as specified for each Sub-fund in Appendix IV.

**"Institutional Investors"** means the institutional investors as such term is interpreted by the supervisory authority and any applicable laws and regulations from time to time in force in Luxembourg.

**"Investment Advisor"** means the agent acting for the Management Company and/or for the Investment Manager who provide the Investment Manager and the Management Company with investment information, recommendations and research concerning prospective and existing investments for the respective, abovementioned Sub-fund(s)

**"Investment Manager"** means the agent acting for the Management Company who purchases and sells securities.

**"Investment Restrictions"** means the investment powers and restrictions as specified in Appendix I.

**"Key Information Document ("KID")"** means the key information of a Sub-fund and/or Class, as amended from time to time.

**"Management Company Board"** means the board of directors of the Management Company.

**"Management Company"** means the management company of the Fund, NS Partners Europe S.A..

**"Management Regulations"** means the management regulations of the Fund, as amended from time to time.

**"Net Asset Value" or "NAV"** mean the net asset value of the Fund as determined in accordance with Section "Net Asset Value".

**"Other Denomination Currency"** means any currency in which the Net Asset Value per Unit of one or more Sub-funds/Class(es) may be calculated in addition to the Reference Currency.

**"Prospectus"** means the current prospectus of the Fund as the same may be amended from time to time.

**"Redemption Commission"** means the redemption commission specified for each Sub-fund in Appendix IV.

**"Redemption Price"** means the price for the redemption of Units as determined in accordance with Section "Issue, Redemption and Conversion of Units".

**"Reference Currency"** means the currency in which the Net Asset Value of each Sub-fund is denominated.

**"Retail Investors"** means the retail investors as such term is interpreted by the supervisory authority and any applicable laws and regulation from time to time in force in Luxembourg.

**"Section"** means a section in this Prospectus.

**"Semi-annual Reports"** means the semi-annual reports of the Fund.

**"Sub-fund Conversion Deadline"** means the deadline at which the application of conversion must be received by the Registrar & Transfer Agent as specified in Appendix IV for each Sub-fund.

**"Sub-fund Redemption Deadline"** means the redemption deadline of the relevant Sub-fund at which the application for redemption must be received by the Registrar & Transfer Agent as specified in Appendix IV for each Sub-fund.

**"Sub-fund Subscription Deadline"** means the subscription deadline of the Sub-fund at which the subscription must be received by the Registrar & Transfer Agent as specified in Appendix IV for each Sub-fund.

**"Sub-Fund"** means any sub-fund of the Fund.

**"Subscriber"** means any person that signed and filed a Subscription Form with the Registrar & Transfer Agent.

**"Subscription Commission"** means the commission on the Subscription Price which is determined for each Sub-fund in Appendix IV.

**"Subscription Form"** means the subscription form indicating a Subscriber's subscription for Units.

**"Subscription Price"** means the subscription price of each Class of each Sub-fund on the Initial Subscription Day or during the Initial Subscription Period, as specified for each Sub-fund in Appendix IV.

**"UCI Law"** means the Luxembourg law of 17 December 2010 on undertakings for collective investment,

as amended.

**"UCI"** means undertakings in collective investments.

**"UCITS"** means undertakings for collective investment in transferable securities.

**"UCITS-Directive"** means the Council Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended by Directive 2014/91/EU of 23 July 2014 on the coordination of laws, regulations and administrative provisions relating to UCITS as regards depositary functions, remuneration policies and sanctions.

**"Unit"** means a unit of a Sub-fund.

**"Unitholder"** means a holder of one or more Units.

**"Valuation Day"** means the day on which the Net Asset Value per Unit of each Class in each Sub-fund is dated in accordance with Section "Net Asset Value".

<b>MANAGEMENT AND ADMINISTRATION</b>
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**Management Company**

NS PARTNERS EUROPE S.A.  
11, Boulevard de la Foire – L 1528 Luxembourg  
R.C.S. Luxembourg: N° B 35.060

**Board of Directors**

**Mr Grégoire Notz**

**Mr Christophe Lentschat**

**Mr Paolo Farone**

**Conducting Officers**

**Mr Paolo Faraone**

**Mr Manaf Azmeh**

**Mr Girolamo Salice**

**Mr Andrew Carter**

**Depositary and Principal Paying Agent**

QUINTET PRIVATE BANK (EUROPE) SA  
43, boulevard Royal L - 2955 LUXEMBOURG

**Administrator**

UI efa S.A. (formerly European Fund  
Administration S.A.)  
2, Rue d'Alsace L – 1122 Luxembourg

**Investment Managers**

Indicated as applicable in the relevant Sub-Fund appendix.

**Investment Advisors**

Indicated as applicable in the relevant Sub-Fund appendix.

**Auditor of the Fund**

DELOITTE AUDIT S.à.r.l.  
20, boulevard de Kockelscheuer  
L-1821 Luxembourg

## KEY FEATURES

The Fund is organised in and under the laws of the Grand Duchy of Luxembourg as a mutual investment fund ("*fonds commun de placement*") with one or more separate Sub-Funds constituting each a separate portfolio of assets and liabilities. The net assets of the Fund may not be less than EUR 1,250,000.-

The Fund is registered pursuant to Part I of UCI Law. However such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-funds. Any representations to the contrary are unauthorized and unlawful.

The Fund was organised pursuant to "Management Regulations" entered into force on 16 February 1995.

The Management Regulations were filed with the "Registre de Commerce et des Sociétés" of Luxembourg on 16 March 1995 and were published in the "*Mémorial C Recueil Spécial des Sociétés et Associations*" (the "**Mémorial**") on 13 April 1995. The Regulations may be changed in observance of the provisions of the law. Such change will be announced in the Luxembourg *Recueil Electronique des Sociétés et Associations* ("**RESA**"). Any new Regulations come into force on the date of their signature. The consolidated version is deposited at the "*Registre de Commerce et des Sociétés*" in Luxembourg for inspection. The Management Regulation have been updated for the last time on 1 November 2023.

The Fund has no legal personality as an investment fund. The entire assets of each Sub-Fund are the undivided property of all investors who have equal rights in proportion to the number of units they hold. These assets are separate from the assets of the Management Company. The securities and other assets of the Fund are managed by the Management Company as in-house funds in the interest and for the sole account of the Unitholders.

The Management Regulations give the Management Company the authority to establish different Sub-Funds within the Fund as well as different unit classes with specific characteristics within these Sub-Funds. The prospectus will be updated each time a new Sub-Fund is created or an additional unit class is issued.

The Fund is subject to no restrictions with regard to the number of units, number of Sub-Funds and unit classes and the duration of the Fund and its Sub-Funds.

With respect to the Unitholders, each Sub-Fund is regarded as being separate from the others. The assets of a Sub-Fund can only be used to offset the liabilities which the Sub-Fund concerned has assumed.

The acquisition of Fund units implies acceptance of the Management Regulations by the investor (Unitholder). The Management Regulations do not provide for a general meeting of Unitholders.

The financial year of the Fund begins on 1 January of each year and ends on the last day of December of the same year. The accounts and financial statements of the Fund as well as the composition of its assets are examined and audited by an external auditor, DELOITTE AUDIT S.à.r.l. The accounts of the Management Company are audited by EY. The units of the Sub-Funds of the Fund are listed on the Luxembourg Stock Exchange.

## INVESTMENT OBJECTIVE AND POLICIES

Unless otherwise provided for a specific Sub-Fund in its Supplement in Appendix IV of the present Prospectus, the strategy of the Sub-Funds will focus on achieving capital growth by mainly investing in a portfolio consisting of Transferable Securities, units/shares of UCITS/UCI, Money Market Instruments and other assets of the OECD issuers, as permitted by the Law of 17 December 2010, to allow for diversification of portfolio and return maximization for the Unitholders.

Investors are given the opportunity to invest in one or more Sub-Funds and thus determine their own preferred exposure on a region by region and/or asset class by asset class basis. The Management Company may, at its sole discretion, issue Units in one or several Classes within other Sub-Funds, in which case the Prospectus will be updated or supplemented accordingly.

The investment objective and policy of each Sub-Fund are described in Appendix IV.

## MANAGEMENT COMPANY

NS Partners Europe S.A. is the management company of the Fund within the meaning of the UCI Law. The Management Company is a public limited company (*société anonyme*) incorporated in the Grand Duchy of Luxembourg on 28 September 1990. It is a management company subject to the Chapter 15 of the UCI Law and an authorised alternative investment fund manager subject to the law of 12 July 2013 on alternative investment fund managers. The Management Company is subject to the regulatory supervision of the *Commission de Surveillance du Secteur Financier*. Its registered office is at 11, boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg and is registered with the Luxembourg Trade and Companies' register (*Registre de Commerce et des Sociétés*) under number B35060.

The Management Company provides the Fund with the services of collective portfolio management as set forth in Annex II of the UCI Law.

The Management Company has the broadest management powers to manage the Fund in accordance with the Management Regulations and in the interests of the unitholders. Accordingly, the Management Company may buy and sell assets and enforce rights in relation to such assets (including voting rights) and generally, to enter into all agreements with third parties in its own name on behalf of the Fund's account.

In performing its duties, the Management Company shall exercise the standard of care, skill and diligence ordinarily exercised by a Luxembourg professional designated management company performing similar services in similar circumstances. In performing its duties, the obligations to which the Management Company is subject to qualify as an obligation of means (*obligation de moyens*). The Management Company shall have no other duties save for as expressly imposed by the UCI Law and other applicable laws and regulations.

In compliance with the provisions of CSSF Regulation n°10-4, specifying *inter alia* the procedures and the arrangements as well as the structures and organisational requirements to minimise conflicts of interest as referred to in the UCI Law, the Management Company shall develop adequate and effective strategies for determining when and how voting rights attached to securities held in the Fund are to be exercised to the exclusive benefit of the Fund.

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

The Management Company is subject to remuneration policies, procedures and practices (together, the "**Remuneration Policy**") which comply with the principles outlined in the UCI Law. The Remuneration Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles of the Sub-Funds or the Management Regulations or any other fund documents. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the funds it manages and the investors, and includes measures to avoid conflicts of interest.

The Remuneration Policy is designed to promote sound and effective risk management by, amongst other things:

- identifying staff whose professional activities have a material impact on the risk profile of either the Management Company or the Sub-Funds;
- ensuring (i) that no individuals will be involved in determining or approving their own remuneration, (ii) that the remuneration of those staff is in line with the risk profiles of the Management Company and of the Sub-Funds, and (iii) that any relevant conflicts of interest are appropriately managed at all times; and
- setting out the link between pay and performance for all of the employees of the Management Company, including the terms of annual bonus and individual remuneration packages for the Management Company Board or other senior employees.

The Management Company's staff receives a remuneration composed of a fixed and a variable component, appropriately balanced, reviewed annually and based on individual or collective

performance. The fixed component represents a portion sufficiently substantial of the global remuneration to exercise a fully flexible policy in terms of variable components of the remuneration, including the possibility to pay no variable remuneration component.

Further details on the Remuneration Policy (including a description on how the remuneration and benefits are calculated, the identities of the persons responsible for awarding the remunerations and benefits [including the composition of the remuneration committee] are available on the following website: <https://nspgroup.com/document-policies/>. A paper copy will be made available free of charge upon request at the office of the Management Company.

## ADMINISTRATOR

The Management Company has appointed UI efa S.A. (formerly European Fund Administration S.A.) as administrative, registrar and transfer agent of the Fund (the "**Administrator**") pursuant to the Administration Agreement.

UI efa S.A. is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg on 15 October 1996. The Administrator is authorised and regulated by the CSSF under the Luxembourg law of 5 April 1993 on the financial sector, as amended (the "**1993 Law**").

The relationship between the Management Company and the Administrator is subject to the terms of the Administration Agreement. Under the terms of the Administration Agreement, the Administrator will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the Net Asset Value per Unit, maintain the accounting records of the Fund, as well as process all subscriptions, redemptions, conversions, and transfers of Units and register these transactions in the register of unitholders. In addition, as registrar and transfer agent of the Fund, the Administrator is also responsible for collecting the required information and performing verifications on investors to comply with the applicable AML/CFT Regulations.

The Administrator is not responsible for any investment decisions of the Fund or the effect of such investment decisions on the performance of the Fund.

The Administration Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than [ninety (90) calendar days] prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. The Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Administration Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the Management Company will not be affected by any delegation of functions by the Administrator.

## DEPOSITARY

Quintet Private Bank (Europe) SA (former KBL European Private Bankers S.A.) has been designated as depositary bank for the Fund (hereinafter called the "**Depositary**") pursuant to a depositary agreement dated 18 March 2016.

It is a Luxembourg *société anonyme* incorporated on 23 May 1949. At 31 December 2020, its own capital and reserves amounted to EUR 1,207,607,735.44.

As Depositary, Quintet Private Bank (Europe) SA will carry out its functions and responsibilities in accordance with the provisions of the UCITS Directive and the UCI Law.

The Depositary will further, in accordance with the UCITS Directive:

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

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

- a) opened in the name of the Fund or of the Depositary acting on behalf of the Fund;

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

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

- a) for financial instruments that may be held in custody, the Depositary shall:

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

The assets held in custody by the Depositary may be reused only under certain circumstances, as provided for in the UCITS Directive.

In order to effectively conduct its duties, the Depositary may delegate to third parties the functions referred to in the above paragraph, provided that the conditions set out in the UCITS Directive are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the UCITS Directive and with the relevant CSSF regulations, to ensure that it entrusts the Fund's assets only to a delegate who may provide an adequate standard of protection.

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

#### **Conflicts of interests:**

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

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

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

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

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

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

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

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

- Conflicts of interests between the Depositary and the Sub-Custodian:
  - The selection and monitoring process of Sub-Custodians is handled in accordance with the 2010 Law and is functionally and hierarchically separated from possible other business relationships that exceed the sub-custody of the Fund's financial instruments and that might bias the performance of the Depositary's selection and monitoring process. The risk of occurrence and the impact of conflicts of interests is further mitigated by the fact that none of the Sub-Custodians used by the Depositary for the custody of the Fund's financial instruments is part of the Quintet Group.
- The Depositary may act as depositary to other UCITS funds and may provide additional banking services beyond the depositary services and/or act as counterparty of the Fund for over-the-counter derivative transactions (maybe over services within Quintet).
  - The Depositary will do its utmost to perform its services with objectivity and to treat all its clients fairly, in accordance with its best execution policy.

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

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

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

The Depositary Agreement may be terminated by either party on giving to the other party a notice in writing specifying the date of termination which will not be less than ninety (90) days after giving such notice. The Fund will use its best efforts to appoint a new depositary and obtain the approval of the CSSF within a reasonable time upon notice of termination, being understood that such appointment shall happen within two months. The Depositary will continue to fulfil its obligations until completion of the transfer of the relevant assets to another depositary appointed by the Fund and approved by the CSSF.

Pursuant to a paying agency agreement, Quintet Private Bank (Europe) SA also acts as Paying Agent. As principal paying agent Quintet Private Bank (Europe) SA will be responsible for distributing income and dividends, if applicable, to the unitholders.

## **INVESTMENT MANAGERS**

The Management Company may, under its supervision and responsibility, delegate investment management services in relation to one or several Sub-Fund(s) to one or several investment manager(s) ("**Investment Manager**").

The role of an Investment Manager is to pursue the investment policy of the Sub-Funds in accordance with the respective Sub-Funds' investment objectives and policy, to manage the day-to-day business of the portfolio (under the supervision, control and responsibility of the Management Company) and to provide other related services. Investment Managers are at all times subject to the investment objectives and policy set out in the Prospectus for each Sub-Fund, the investment restrictions, the Management Regulations and any other applicable legal restrictions.

An Investment Manager has full investment discretion over the assets of a Sub-Fund. An Investment Manager may use and select brokers of its own choosing to settle transactions and may, at its own expense and responsibility, consult or delegate duties to third parties. In principle, an Investment Manager bears all expenses it incurs in connection with the services it provides for a Sub-Fund.

The identity, powers, functions and remuneration of the Investment Manager, if any, will be detailed as applicable in the relevant Sub-Fund detailed in the relevant Supplement.

As applicable pursuant to the relevant services agreement and with the prior consent of the Management Company and the approval of the CSSF, the Investment Manager may delegate, under its responsibility at its own cost and in relation to certain specific Sub-Funds with a geographical focus and/or specific securities focus, specialist asset management companies, in order to benefit from their expertise and experience in particular markets.

The Investment Managers will be remunerated directly by the Fund in accordance with section "**Management Fees**" below.

## **INVESTMENT ADVISOR**

The Management Company may appoint Investment Advisors for each Sub-Fund with regard to investment recommendations, for instance, relating to the asset allocation between the permitted investment instruments. The Management Company is not obliged to follow these recommendations.

The names of the Investment Advisors, as well as the commission to which they are entitled are further described in each Sub-Fund relevant Appendix.

The Investment Advisor will be remunerated directly by the Fund in accordance with section "Management Fees" below.

## **DIVIDEND POLICY**

Every year the Management Company reserves the right to determine the percentage of the investment income to be distributed to the Unitholders of distribution units in proportion to their Units.

The Board may decide the payment of dividends depending on the profits realised by the Fund.

Distributions can be made out of net investment income and out of realised capital gains after deduction of realised and unrealised capital losses. If necessary, and in order to assure a reasonable level of distributions, distributions may be made out of any other funds available for distribution.

Moreover the net assets of the Fund may be distributed provided that after distribution the net assets will not be less than the minimum net assets required by Luxembourg law. The nature of this distribution will have to be disclosed.

Dividends not collected within five (5) years will lapse and accrue for the benefit of the relevant Sub-Fund in accordance with Luxembourg law.

## **THE UNITS**

Units will be issued in registered form only and therefore, a sole confirmation in writing will be issued to the Unitholder. Units may also be settled and held in clearing systems.

Fractional units will be issued up to two decimal places. By purchasing units, the Unitholders accept all of the provisions of the Regulations.

Unless otherwise specified in Appendix IV Investors may, in principle, convert all or part of their units of a Sub-Fund into units of another Sub-Fund.

Within each Sub-Fund, the Management Company is authorised to create different Classes, which may be characterised by their distribution policy (distribution or capitalisation units), their reference currency, commission level or any other characteristic decided by the Management Company.

Whether Classes are created, the present provisions applicable to Sub-Funds are also applicable mutatis mutandis to each Classes.

The Class(es) for each Sub-Fund are indicated in Appendix IV.

A-Unit Classes are listed on the Luxembourg Stock Exchange.

Fractions of units do not confer the right to vote at general meeting, but will grant entitlement to a distribution or a proportionate distribution of the liquidation proceeds in the case that the Sub-Fund concerned is liquidated.

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

## **LATE TRADING AND MARKET TIMING**

### Late trading

The Fund determines the price of its Units on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Unit at which Units will be bought or sold (exclusive of any Subscription or Redemption Commission as defined hereafter). Subscription applications have to be received and will be accepted for each Sub-fund only in accordance with the Sub-fund Subscription Deadline.

### Market timing

The Fund is not designed for Unitholders with short-term investment horizons. Activities which may adversely affect the interests of the Fund's Unitholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Fund as an excessive or short term trading vehicle are not permitted.

While recognising that Unitholders may have legitimate needs to adjust their investments from time to time, the Management Company in its discretion may, if it deems such activities adversely affect the interests of the Fund or the Fund's Unitholders, take action as appropriate to deter such activities.

Accordingly if the Management Company determines or suspect that a Unitholder has engaged in such activities, it may suspend, cancel, reject or otherwise deal with that Unitholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Fund and its Unitholders.

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

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

## **ISSUE, REDEMPTION AND CONVERSION OF UNITS**

### **1. Issue of Units**

The issue price of the Sub-Funds is calculated according to the regulations given in the section "**Net Asset Value**".

Any taxes, commissions and any other fees that apply in the different countries in which Fund units may be sold will be charged to the Unitholders.

In addition, a subscription fee may be charged in favour of the Management Company as further specified in Appendix IV.

The minimum initial investment for each Class of each Sub-fund is specified in Appendix IV. The Management Company Board may, at its discretion, waive or modify such minimum limits.

Subscriptions for Units in any Sub-fund received by the Registrar & Transfer Agent on the relevant Business Day as detailed for each Sub-fund in Appendix IV, will be processed with the Net Asset Value as of that Valuation Day based on the latest available prices in Luxembourg (as described under the heading "**Net Asset Value**").

Any subscriptions received by the Registrar & Transfer Agent after this deadline will be processed with the next Valuation Day on the basis of the Net Asset Value per Unit determined on such Valuation Day.

Payment for Units must be received by the Depositary in accordance with the payment procedure as detailed in Appendix IV.

The Management Company may restrict or prevent the ownership of Units in the Fund by any person, firm, partnership or corporate body, if in the sole opinion of the Management Company such holding may be detrimental to the interests of the existing Unitholders or of the Fund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the Fund may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred. Such persons, firms, partnerships or corporate bodies shall be determined by the Management Company Board.

As the Fund is not registered under the United States Securities Act of 1933, as amended, and as the Fund has not been registered under the United States Investment Company Act of 1940, as amended, its Units may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof (hereinafter referred to as "**US Persons**"). Accordingly, the Management Company may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person or a US Person.

The Management Company retains the right to offer only one or several Classes for subscription in any particular jurisdiction in order to conform to local law, custom, business practice or the Fund's commercial objectives.

The Management Company reserves the right to reject, wholly or partly, any subscription application. Moreover, the Management Company reserves the right to discontinue, without notice, both the issue and the sale of the units of the Fund.

For Subscriptions in another currency than that in which a Sub-Fund is expressed, the exchange profit or loss compared to the currency of the Sub-Fund concerned will be in favour or at expense of the Fund.

No Units of any Sub-Fund will be issued by the Management Company during any period when the determination of the NAV of Units of that Sub-Fund is suspended by the Management Company.

## 2. Redemption of units

Unitholders can request redemption of their units at any time by making an irrevocable redemption application.

Any taxes, commissions and other fees incurred in the countries in which Fund units may be sold will also be charged to the Unitholders.

In addition, a redemption fee may be charged in favour of the relevant Sub-Fund as further specified in Appendix IV.

In the event of redemption applications for more than 10 % of the net assets value of a Sub-Fund, the Management Company reserves the right to redeem the Units only at the redemption price calculated after the Fund has been able to sell the necessary Units in the shortest time, taking into account the interests of all the Unitholders and has the proceeds of this sale available.

The features linked to redemptions in each Sub-Fund are described in the Appendix IV.

## 3. Conversion between Sub-Funds

Unless otherwise specified in Appendix IV, Unitholders have the right, subject to any suspension of the determination of the NAV of any relevant Sub-Fund, to convert all or part of their holdings of any Sub-Fund into Units of another Sub-Fund by giving notice to the Registrar & Transfer Agent in writing, by fax of their requirements. The application for conversion must be accompanied, as appropriate, by a form of transfer, duly completed, or any document providing evidence of transfer.

All Units tendered for conversion will, subject to such suspension of determination, be converted, in the case of applications received by the Registrar & Transfer Agent before 5:00 p.m. on any Luxembourg bank business day preceding a Valuation Day, at a rate calculated normally by reference to the price of the Units of the Sub-Funds determined as at that day.

There is no conversion fee.

The rate at which all or part of the Units in a given Sub-Fund (the “original Sub-Fund”) are converted on any such bank business day into Units of another Sub-Fund (the “new Sub-Fund”) will be determined in accordance with the following formula:

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

Where:

**A** is the number of Units of the new Sub-Fund to be allotted;

**B** is the number of Units of the original Sub-Fund to be converted;

**C** is the NAV of Units in the original Sub-Fund to be converted on the relevant day;

**D** is the average rate of exchange on the day concerned between the currency of the Sub-Funds to be converted and the currency of the Sub-Funds to be allotted, when the original and the new Sub-Fund are not expressed in the same currency;

**E** is the NAV of the new Sub-Fund ruling on the relevant day.

## CHARGES AND EXPENSES

### 1. Management Fee

In consideration of their management of the Fund, the Management Company, the Investment Manager, the sub-investment manager and the Investment Advisor will receive in aggregate directly out of the assets of the Fund, an annual fee paid in proportion to time at the end of each quarter and expressed as a percentage of the average net assets of each Sub-Fund of the Fund in such a quarter.

The features linked to Management Fees in each Sub-Fund are described in the Appendix IV.

### 2. Depositary fee

The Depositary will be entitled to a fee of maximum 0,05 % calculated on the basis of the net asset of the Sub-Funds and payable monthly with an annual minimum of EUR 10,000.--, plus a flat transaction fee on all operations relating to receipt or delivery of the relevant Sub-Fund securities as well as to the reimbursement of the related operating costs.

In relation to the further obligations deriving from Directive 2014/91/EU, a supplementary Depositary control fee of 0.005% of the net assets is applied, with a minimum of EUR 2,500 per year and per Sub-Fund.

### 3. Administrator fee

The Administrator will be entitled to an annual fixed amount of maximum 30,000,- EUR to which is added a fee of maximum 0,04 % calculated on the basis of the net asset of the Sub-Funds and payable monthly directly by the Fund. A flat transaction fee is also charged for all operations relating to receipt or delivery of securities. Furthermore, it will be entitled to the reimbursement of the related operating costs.

### 4. Performance Fee<sup>1</sup>

In addition to the annual management fee, the Management Company, the Investment Manager and/or the Sub-Investment Manager may be entitled to receive an additional performance related fee as further described in the Appendix IV.

### 5. Other Fees and Charges

The Fund will bear all its operation costs, namely the commissions of the Depositary and, if applicable, these of its correspondents as well as, among others, , the remuneration of the Management Company, fees and charges of the auditor, costs including the printing costs of certificates and charges relating to the formation of the Fund (amortised over the first five years); expenses involved in registering the Fund with any concerned authority, expense relating to the prospectus including the KID, all brokerage and fees on dealings; all possible duties and taxes on income; the Luxembourg annual subscription tax as well as taxes payable to supervising authorities of the States in which the Units will be sold; costs relating to the distribution of dividends; costs for advice and other extraordinary charges namely expert evaluations or actions undertaken in view of safeguarding the interests of the Unitholders.

All of such expenses will first be charged against the income and then against the profits realised and finally against the Fund's assets. The preliminary expenses estimated at EUR 37.184,03 has been capitalised and fully amortised over the first five years.

Each Sub-Fund is charged with all costs or expenses directly attributable to it plus a proportion of the costs and expenses not attributable to a particular Sub-Fund based on the NAVs of the underlying Sub-Funds. It is understood that all the assets concerning a specific Sub-Fund are only liable for the debts and obligations of that Sub-Fund.

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<sup>1</sup> The charging of performance fees for all sub-funds of the Fund has been suspended since 29 September 2023 pending the next update of the Prospectus with amended disclosures on performance fees. For the sake of clarity, no performance fees have been provisioned in the NAV for the year 2023 and no provision will be made until the performance fees disclosures are modified.

## TAXATION

### 1. Tax Status

For income tax purposes, the Fund is a tax transparent mutual fund. The Fund is subject to the Grand Duchy of Luxembourg's "taxe d'abonnement" of 0.05 % p.a. on total net assets, which is payable at the end of every quarter. This tax is calculated on the net assets of each Sub-Fund at the end of every quarter.

Class I units will benefit from a reduced tax of 0.01% per annum on their net assets.

### 2. Taxation of the Unitholders

Subject to provisions below concerning the taxation of savings income in the form of interest payments, distributions made by the Fund and income, dividends, other distributions and capital gains received by a Unitholder resident in Luxembourg or abroad are not subject to a Luxembourg withholding tax.

Unless a Luxembourg tax liability arises as a consequence of the tax transparency principle depending on the nature of the investments of the Fund, unitholders are not subject to any capital gains, income or withholding tax in Luxembourg to the extent that they are not domiciled, resident or do not have a permanent establishment in Luxembourg.

The tax treatment of Unitholders resident in Luxembourg or having a permanent establishment in Luxembourg is not clear due to the uncertainties about the practical impacts of the tax transparent nature of the Fund. Such prospective Investors should consult their own professional advisers.

### 3. Automatic Exchange of Information

Following the development by the Organization for Economic Co-operation and Development ("**OECD**") of a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information ("**AEOI**") in the future on a global basis, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted on 9 December 2014 in order to implement the CRS among the Member States of the European Union.

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

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

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

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

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

The Fund reserves the right to refuse any application for Units if the information provided or not provided does not satisfy the requirements under the CRS Law.

**Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.**

#### **4. US Foreign Account Tax Compliance Requirements (“FATCA”)**

The Foreign Account Tax Compliance Act (FATCA), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US (Foreign Financial Institutions or FFIs) to pass information about “Financial Accounts” held, directly or indirectly by “Specified US Persons”, to the US tax authorities, the Internal Revenue Service (IRS), on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement (IGA), and a memorandum of understanding in respect thereof, with the United States of America. The IGA concluded with the United States of America was implemented into Luxembourg law by the law of 24th July 2015.

The Fund hence has to comply with such Luxembourg IGA rather than directly complying with the US Treasury Regulations implementing FATCA. As a “Reporting Financial Institution” under the IGA, the Fund may be required to collect information aiming to identify its direct and indirect Unitholders that are Specified US Persons for FATCA purposes (reportable accounts). Any such information on reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America.

The Fund intends to comply with the provisions of the Luxembourg IGA to be deemed compliant with FATCA and to avoid, to the extent possible, being subject to the 30% withholding tax with respect to its Units of any such payments attributable to actual and deemed U.S. investments. The Fund will continually assess the extent of the requirements that FATCA, and notably the Luxembourg IGA, places upon it.

To ensure the Fund’s compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Fund may:

- request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Unitholder’s FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Unitholder’s FATCA status;
- report information concerning a Unitholder and his/her/its account holding in the Fund to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA; and
- deduct applicable US withholding taxes from certain payments made to a Unitholder by or on behalf of the Fund in accordance with FATCA and the Luxembourg IGA.

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

**All prospective investors and Unitholders should consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Fund**

#### **5. Fiscal Year**

The Fund's accounts will be closed each year at the end of December.

The accounts and financial statements of the Fund as well as the composition of its assets are examined and audited by an external auditor: DELOITTE AUDIT S.à.r.l.

The accounts of the Management Company are audited by EY.

## NET ASSET VALUE

The Net Asset Value per Units of each Class in each Sub-Fund shall be dated each Valuation Day, being any Business Day (except if another frequency for the valuation is indicated for a particular Sub-Fund in Appendix IV or with the exception of individual non-statutory rest days in Luxembourg and/or customary holidays in countries with stock exchanges and markets upon which the valuation of more than half of the Sub-Fund's net assets is based).

The Net Asset Value per Unit of each Class in each Sub-fund will be expressed in the Reference Currency of the Sub-fund. The Management Company Board may however decide to calculate the Net Asset Value per Unit for certain Sub-funds/Classes in the Other Denomination Currency as further detailed for the respective Sub-funds/Classes in Appendix IV. The NAV calculated in the Other Denomination Currency is the equivalent of the NAV in the Reference Currency of the Sub-Fund converted at the prevailing exchange rate. Unless otherwise specified in Appendix IV, the Sub-funds are valued daily and the Net Asset Value per Unit of each Class in each Sub-fund is determined on each Valuation Day in Luxembourg.

The Net Asset Value is calculated by dividing the overall net asset value for each Sub-Fund by the number of Units issued for this Sub-Fund.

The Subscription Price and the Redemption Price of the different Classes will differ within each Sub-fund as a result of the differing fee structure and/or distribution policy for each Class.

It is the normal policy of the Fund to value its investments on the basis of market quotations furnished by a pricing service. If no appropriate quotation is available the Board may rely on one or more banks or brokers for confirmation of the price.

The NAV of the different Sub-Funds are determined by deducting the total liabilities corresponding to each Sub-Fund from the total assets corresponding to each Sub-Fund. Total assets are the sum of all cash, accrued interest and the current value of all investments plus the current value of any other assets held. Total liabilities include all accrued liabilities determined in accordance with International Accounting Standard under the accrual basis of accounting.

The assets of the Fund shall be determined as follows:

- 1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such a discount as the Board may consider appropriate in such a case to reflect the true value thereof;
- 2) the value of securities or money market instruments which are quoted or dealt in on any stock exchange shall be based on the closing price quoted or the best available price on such Stock Exchange applicable to the relevant Valuation Day;
- 3) the value of securities or money market instruments dealt in on another regulated market which operates regularly and is recognised and open to the public ("the regulated market") shall be based on the last available price applicable to the relevant Valuation Day;
- 4) in the event that any of the securities or money market instruments held in the Fund's portfolio on the relevant Valuation Day are not quoted or dealt in on any stock exchange or dealt in on another regulated market, or if the price as determined pursuant to sub-paragraphs (2) or (3) is not representative of the fair market value of the relevant securities, the value of such securities will be determined based on the reasonably foreseeable sales price determined prudently and in good faith;
  - ◆ for Floating Rate Notes ("FRN") for which no price quotation is available or for which the last available market price is not representative of the fair market value, and in absence of any change in the creditworthiness of the issuer, FRN will be compared at least once a month with similar securities in terms of credit rating and maturity or with an actuarial computation based on the appropriate interest rates applicable at that date in order to ensure that the estimated values of the FRN would not differ significantly from their expected sale prices.

- ◆ For the zero coupon bonds which are not traded regularly on any official stock exchange or for which the last available price of the securities so traded does not reflect their true value, the difference between the acquisition costs and the nominal value will be amortised.

Once a month and/or in the event of subscription/redemption orders representing 10% of the NAV of one of the Sub-Fund and/or in the event of significant fluctuations in the interest rates applicable on the market, the above estimated values will be compared with the last available price of these securities or if not traded, with similar securities in term of credit rating and maturity or with an actuarial computation based on the appropriate interest rates applicable at that date in order to ensure that the estimated values would not differ significantly from their expected sale prices;

- 5) all investments, cash balances and other assets of the Fund expressed in currencies other than the currency of the different classes shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the NAV of Units;
- 6) securities issued by any open-ended UCI shall be valued at their last available price or net asset value, as reported or provided by such funds or their agents;
- 7) for money market instruments and transferable securities with a residual maturity of less than 397 days, the valuation price will be gradually adjusted to the redemption price, based on the net acquisition price and retaining the ensuing yield. If market conditions change substantially, the valuation principles for the individual investments will be adjusted to the new market returns;
- 8) options, financial futures, interest rate swap contracts and money market instruments are valued at the last known price on the stock exchanges or regulated markets concerned;
- 9) where, as a result of special circumstances, a valuation on the basis of the aforesaid rules becomes impracticable or inaccurate, other generally accepted and verifiable valuation criteria are applied in order to obtain an equitable valuation.

Any asset that may not be expressed in the currency of the Sub-Fund to which it belongs are converted into the reference currency of the Sub-Fund at the rate of exchange applicable on the concerned valuation day.

The NAV per Unit of any Sub-Fund as well as the issue and redemption prices of such Units may be obtained at any time at the registered office of the Fund.

#### **Temporary suspension of calculation**

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Management Company is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Fund.

The Management Company may, in the event of substantial applications for subscription or repurchase, determine the NAV by relying on the prices determined on the business day on the securities market on which purchases and sales are made of such Sub-Fund securities that had to be purchased or sold. In such an event the same procedure will be applied in respect to subscription, repurchase and conversion requests received at the same time.

The Management Company may suspend determination of the NAV whenever it is unable to determine it objectively and may suspend the issue, redemption and conversion of Units:

- a) If one or more securities exchanges or other regulated markets providing the basis for appraisal of a material part of the Fund's assets or one or more foreign exchange markets for the currencies in which the NAV of the Units or a material part of the Fund's assets is denominated are closed otherwise than for normal holidays, or if trading thereon is suspended or restricted;
- b) In the event of an interruption of the means of communication customarily used to determine the value of the Fund's investments or if for any reason the value of one of the Fund's investments cannot be determined with sufficient celerity or accuracy;
- c) If exchange restrictions or restrictions on Fund movements prevent transactions for the Fund's account or if purchases or sales of the Fund's assets cannot be made at normal exchange rates;

- d) If the political, economic, military, monetary situation or any other event beyond the Management Company's control, responsibility or ability to take action prevents it from disposing of the Fund's assets or determining the NAV under reasonable and normal conditions.

The decision to suspend temporarily the determination of the NAV of the Units of a Sub-Fund does not necessarily entail the same decision for the Units of other Sub-Funds if the assets of such other Sub-Fund are not affected to the same extent by the same circumstances.

Notice of suspension of determination of the NAV of the Fund's Units shall be published in a Luxembourg newspaper, as the Management Company will from time to time determine. Anyone who has applied for purchase redemption or conversion of Units of the Fund shall also be notified of such suspension.

The investor has always the right to withdraw his request of an issue, redemption or conversion before the end of such suspension.

### **Money Laundering prevention and fight against the financing of terrorism**

Pursuant to international rules and Luxembourg laws and regulations comprising, but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, and circulars of the CSSF, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar and transfer agent of a Luxembourg undertaking for collective investment must ascertain the identity of the subscriber as provided by Luxembourg laws and regulations. The registrar and transfer agent may require subscribers to provide any document it deems necessary to effect such identification.

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

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

## **DISSOLUTION AND LIQUIDATION OF THE FUND**

### **1. Liquidation**

The Sub-Funds are created for an undetermined period but may be dissolved at any time upon decision of the Management Company. Such decision has to be announced by a publication as specified in the Financial Notices and in at least one newspaper with wide spreading. The Management Company will realise the assets of the relevant Sub-Fund and, upon the close of the liquidation, the Depositary will distribute the net proceeds of the liquidation among the Unitholders of the Sub-Fund based on the pro rata of the number of unitholding. Amounts unclaimed will be deposited in escrow at the *Caisse de Consignation* in Luxembourg for the benefit of the persons entitled thereto. Amounts not claimed within the prescribed period may be dealt in accordance with applicable provisions of Luxembourg law.

Until the execution of the decision of liquidation the Management Company will propose to the Unitholders of the Sub-Fund concerned either the redemption of their Units or the conversion of these Units into Units of another Sub-Fund. For these redemptions, the Management Company will determine the NAV by taking into account the liquidation expenses and no commission of redemption as stated in the present Prospectus will be charged.

The Fund is created for an undetermined period provided, however, that it shall be terminated and totally dissolved, subject to the publication of a notice of termination, if (i) in the judgement of the Management Company and the Depositary, the termination of the Fund can best serve the interest of the Unitholders, (ii) in the judgement of the Management Company and the Depositary circumstances beyond their control compel them to terminate the Fund, (iii) the Management Company is to be dissolved and liquidated and (iv) in any other cases provided for by Luxembourg law. Unitholders may not request dissolution or partition of the Fund. The notice of dissolution shall be published in the RESA and in at least three newspapers with wide spreading with at least one Luxembourg, to be determined jointly by the Management Company and the Depositary. Unless otherwise decided by the Management Company, the Fund may, until such time as the decision to liquidate is executed, continue to redeem or convert the Units of the Sub-Fund which it has been decided to liquidate, taking account of liquidation costs but without deducting any redemption fee as stated in the prospectus.

The Management Company will realise the assets of the Fund in the best interests of the Unitholders and, upon instructions given by the Management Company, the Depositary will distribute the net proceeds of the liquidation among the Unitholders in proportion to their rights, after deduction of liquidation fees and expenses. Amounts unclaimed at the close of liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg for the benefit of the persons entitled thereto. Amounts not claimed within the prescribed period may be forfeited in accordance with applicable provisions of Luxembourg law.

### **Merger of Sub-Funds inside the Fund**

Under the same circumstances as provided here above, the Management Company may decide to close down one Sub-Fund by contribution into another Sub-Fund of the Fund.

In addition, such merger may be decided by the Management Company if required by the interests of all the Unitholders of the relevant Sub-Fund. Such decision will be published in the same manner as described in the preceding paragraph and, in addition, the publication will contain information in relation to the new Sub-Fund. Such publication will be made in accordance with the UCI Law in order to enable Unitholders to request redemption of their Units, free of redemption fee as stated in the prospectus, before the operation involving contribution into another Unit becomes effective.

The decision relative to the merger will be binding upon all the Unitholders who have not asked for redemption of their Units within a one-month's period after having been notified of the merger in accordance with the UCI Law.

### **Merger with another UCI**

The Management Company may also, under the same circumstances, decide to close down one Sub-Fund by contribution into another collective investment undertaking governed by the UCITS Directive and having a similar investment policy. In addition, such merger may be decided by the Management Company if required by the interests of all the Unitholders of the relevant Sub-Fund. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the other collective investment undertaking and will be made in accordance with the UCI Law in order

to enable Unitholders to request redemption of their Units, free of redemption fee as stated in the prospectus, before the operation involving contribution into another collective investment undertaking becomes effective.

The decision to liquidate or to merge a Sub-Fund in the circumstances and in the manner described in the preceding paragraphs may also be taken at a meeting of the Unitholders of the Sub-Fund to be liquidated or merged where no quorum is required and where the decision to liquidate or merge must be approved by Unitholders holding at least 50% of the Units represented at the meeting.

## **MEETINGS, REPORTS AND NOTICES**

The NAV of the Fund and issue and redemption prices are available at the registered office of the Management Company.

The accounts of the Fund will be presented in EUR. The accounts of the different Sub-Funds stated in different currencies will be converted into EUR and added together for accounting.

The Management Company issues an audited annual report as at 31 December and a semi-annual report on the Fund's operations including a detailed list of the Fund's assets.

Those reports are mailed without charge to the Registered Unitholders having sent their request and will be available at the registered office of the Management Company and the Depositary.

The Unitholders are also entitled at all times to access at the registered office of the Management Company to:

- the Prospectus and the KIDs (also published on the website [www.nspgroup.com](http://www.nspgroup.com))
- the articles of incorporation of the Management Company;
- the Management Regulations;
- the Depositary Agreement with KBL European Private Bankers S.A (renamed into Quintet Private Bank (Europe) S.A.);
- the Paying Agency Agreement with KBL European Private Bankers S.A. (renamed into Quintet Private Bank (Europe) S.A.);
- the Administration Agreement with UI efa S.A.;
- the Investment Management Agreements between the Management Company and the relevant Investment Manager (if any) as well as the subsequent amendments.

Disputes arising in connection with the Management Regulations, the English language version of which is binding, shall be settled by arbitrators, who may rule as amicable compounders.

Each side with an opposite interest shall appoint an arbitrator. If the two arbitrators do not agree, they shall appoint an umpire, whose award shall be final.

If one side does not appoint an arbitrator within one month of being placed on notice by the other side to do so or if the two arbitrators do not agree on an umpire, the arbitrator(s) or umpire not appointed as aforesaid shall be appointed by the chief judge of the District Court of and in Luxembourg on the ex parte application of any party. The arbitrators shall apply Luxembourg law and their award shall be unappealable.

Financial notices will be published in the countries where the Fund is marketed and for the Grand Duchy of Luxembourg in widely distributed newspapers.

## **APPLICABLE LAW, PLACE OF PERFORMANCE AND AUTHORITATIVE LANGUAGE**

The Management Regulations are governed by the laws of the Grand Duchy of Luxembourg and any dispute arising between the Unitholders, the Management Company and the Depositary will be subject to the jurisdiction of the District Court of Luxembourg.

The claims of the Unitholders against the Management Company or the Depositary will lapse five years after the date of the event which gave rise to such claims.

The English version of this Prospectus is the authoritative version. However, in the case of units offered from foreign countries in which Fund units can be bought and sold, the Management Company and the Depositary may recognise approved by themselves translations.

#### **THE MANAGEMENT REGULATION AMENDMENTS**

The Management Regulations govern the relations among the Unitholders, the Management Company and the Depositary.

Purchase of certificates entails the Unitholders' unconditional acceptance of all of the provisions of the Fund's Management Regulations as they may be amended from time to time. The Unitholders have no obligation or liability except to pay the price of their Units.

The Management Regulations may be amended by the Management Company with the written approval of the Depositary. Amendments will become effective the day of their execution by the Depositary and the Management Company, if not otherwise provided in the relevant document amending the Management Regulations.

The amendments shall be available to the Unitholders on request and without charge at the registered office of the Management Company or the Depositary.

#### **COMPLAINTS HANDLING**

Information on the procedures in place for the handling of complaints by prospective investors and/or Unitholders is available upon request in [www.nspgroup.com](http://www.nspgroup.com).

## APPENDIX I - Investment Restrictions

### Section I

1. The investments of the Fund must consist solely of:

- a) Transferable securities and money market instruments admitted to or dealt in on a regulated market;
- b) Transferable securities and money market instruments dealt in on another market in a Member State of the European Union which is regulated, operates regularly and is recognised an open to the public;
- c) Transferable securities and money market instruments admitted to official listing on a stock exchange in any country of Europe, Asia, Oceania, Africa or South - and North America or dealt in an another market in any country of Europe, Asia, Oceania, Africa or South - and North America which is regulated, operates regularly and is recognised and open to the public;
- d) Recently issued transferable securities and money market instruments, provided that:
  - The terms of issue include an undertaking 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, provided that the choice of the stock exchange or the market has been provided for in the constitutional documents of the Fund;
  - Such admission is secured within one year of issue;
- e) shares or units of UCITS authorised according to Directive 2009/65/EC and/or other UCIs within the meaning of the first and second indent of Article 1, paragraph (2) of the Directive 2009/65/EC, whether situated in a Member State of the European Union or not, provided that:
  - Such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in community law, and that cooperation between authorities is sufficiently ensured;
  - The level of protection for unitholders or shareholders in such other UCIs is equivalent to that provided for unitholders or shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - The business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - No more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- f) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in community law;
- g) Financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter (“OTC derivatives”), provided that:
  - The underlying consists of instruments covered by this Section, paragraph (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives as stated in the Fund’s constitutional documents;
  - The counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and

- The OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Fund;
- h) Money market instruments other than those dealt in on a regulated market and which fall under Article 1 of the UCI 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 community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by community law; or
  - Issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million EUR (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
2. However:
- a) The Fund may invest no more than 10% to the assets of each Sub-Fund in transferable securities and money market instruments other than those referred to in paragraph (1) a) through d) and h).
  - b) The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business;
  - c) The Fund may not acquire either precious metals or certificates representing them.
3. The Fund may hold ancillary liquid assets.

## **Section II**

Financial instruments may be used for hedging purpose or for efficient management purposes.

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

The commitment approach is used to monitor and measure the global exposure of a Sub-Fund, unless otherwise provided in "Investment Objective and Policies" of a specific Sub-Fund.

Unless otherwise provided in "Investment Objective and Policies" of a specific Sub-Fund, each Sub-Fund's total commitment to financial derivative instruments, limited to 100% of the Sub-Fund's total net assets, is quantified as the sum, as an absolute value, of the individual commitments, after consideration of the possible effects of netting and coverage. The commitment of each individual derivative is the market value of the equivalent position in the underlying asset or the notional value when this is more conservative.

The Fund manager will ensure that the overall risk linked to derivatives does not exceed the total net value of the portfolio of each Sub-Fund.

Overall, the risks to which the underlying assets are exposed may not exceed the investment limits stipulated in Section III below.

### Section III

1. The Fund may invest no more than 10% of the assets of each Sub-Fund in transferable securities or money market instruments issued by the same body. The Fund may not invest more than 20% of the assets of each Sub-Fund in deposits made with the same body. The risk exposure to a counterparty of the Fund in an OTC derivative transaction may not exceed 10% of the assets of each Sub-Fund when the counterparty is a credit institution referred to in Section I, paragraph (1) (f) or 5% of the assets of each Sub-Fund in other cases.
2. The total value of the transferable securities and money market instruments held by the Fund in the issuing bodies in each of which it invests more than 5% of the assets of each Unit must not exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervisions.

Notwithstanding the individual limits laid down in paragraph (1), the Fund may not combine:

- Investments in transferable securities or money market instruments issued by a single body;
  - Deposits made with a single body; and/or
  - Exposures arising from OTC derivative transactions undertaken with a single body,
- in excess of 20% of the assets of each Sub-Fund.
3. The limit laid down in the first sentence of paragraph (1) may be of a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members.
  4. The limit laid down in the first sentence of paragraph (1) may be of a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the European Union and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

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

5. The transferable securities and money market instruments referred to in paragraphs (3) and (4) are not included in the calculation of the limit of 40% referred to in paragraph (2).

The limits set out in paragraphs (1), (2), (3) and (4) may not be combined, and thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with paragraphs (1), (2), (3) and (4) may not exceed a total of 35% of the assets of each Sub-Fund.

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

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

### Section IV

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

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

#### **Section V**

No Sub-Fund may invest more than 10% of its net assets in units of UCITS or other UCIs. In addition, the following limits shall apply:

- (i) When a Sub-Fund invests in the units of other UCITS and/or other UCIs managed by the 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, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.
- (ii) A Sub-Fund may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.
- (iii) The underlying investments held by the UCITS or other UCIs in which the Sub-Funds invest do not have to be considered for the purpose of the investment restrictions set forth under Section III above.

When an investment is done in the units of other UCITS and/or other UCIs managed by the 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, no subscription or redemption fees may be charged to the Company on account of its investment in the units of such other UCITS and/or UCIs.

#### **Section VI**

1. The Management Company acting in connection with the Fund and all of the common funds which it manages and which fall within the scope of Part I of the UCI Law, may not acquire any shares carrying voting rights, which would enable it to exercise significant influence over the management of an issuing body.
2. Moreover, the Fund 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 or shares of the same UCITS and/or other UCI;
  - 10% of the money market instruments of any single issuer.

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

3. Paragraphs (1) and (2) are waived as regards:
  - a) Transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local authorities;
  - b) Transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
  - c) Transferable securities and money market instruments issued by a public international bodies of which one or more Member States of the European Union are members;
  - d) Shares held by the Fund 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 Fund can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member

State of the European Union complies with the limits laid down in Articles 43 and 46 and Article 48, paragraphs (1) and (2) of the UCI Law. Where the limits set in Articles 43 and 46 are exceeded, Article 49 shall apply mutatis mutandis;

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

#### **Section VII**

1. The Management Company, acting on behalf of the Fund, may not borrow; however, the Fund may acquire foreign currency by means of a back-to-back loan.
2. By way of derogation from paragraph (1), the Management Company, acting on behalf of the Fund, may borrow the equivalent of up to 10% of the assets of each Sub-Fund provided that the borrowing is on a temporary basis.

#### **Section VIII**

1. The Management Company, acting on behalf of the Fund, may not grant loans to or act as guarantor for third parties.
2. Paragraph (1) shall not prevent the Fund from acquiring transferable securities or money market instruments or other financial instruments referred to in Section I, paragraph (1) e), g) and h) which are not fully paid.

#### **Section IX**

The Management Company, acting on behalf of the Fund, may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in Section I, paragraph (1) e), g) and h).

#### **Section X**

Subject to Section V (above) each Sub-fund may also subscribe for, acquire and/or hold Units issued or to be issued by one or more other Sub-Funds, if:

- (i) the target Sub-fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
- (ii) no more than 10% of the assets of the target Sub-fund whose acquisition is contemplated may, pursuant to its respective sales prospectus or management regulations, be invested in aggregate in units/shares of other UCITs or other collective investment undertakings; and
- (iii) 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
- (iv) in any event, for as long as these securities are held by the relevant Sub-Fund, their value will not be taken into consideration for the purposes of verifying the minimum threshold of the net assets imposed by the UCI Law.

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

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

## APPENDIX II - Techniques and Financial Instruments

The Management Company and/or the Investment Manager acting on behalf of the Fund is authorised for each Sub-Fund to:

- Use techniques and instruments relating to transferable securities, provided such techniques and instruments are used for the purpose of efficient portfolio management; and
- Employ techniques and instruments intended to provide protection against exchange risks in the context of the management of their assets and liabilities.

### 1. Transactions involving options on transferable securities for the purpose of hedging

The Management Company and/or the Investment Manager acting on behalf of the Fund may buy or write call and put options, provided the options are traded on a regulated market, which is in continuous operation and which is recognised and open to the public or traded with a leading and recognised financial institution specialising in these types of transactions and participating to the over the counter market in options.

In the context of the above-mentioned transactions, the Management Company and/or the Investment Manager must comply with the following rules:

#### *1.1. Rules applicable when buying options*

The value of the premiums paid for buying put and unexercised call options referred to under point 1 may not, together with the value of premiums paid for buying put and unexercised call options mentioned under point 2.3 below, exceed 15% of the NAV of each Sub-Fund.

#### *1.2. Rules designed to ensure that the commitments resulting from option transactions can be covered.*

At the time of writing a call option, the relevant Sub-Fund must hold either the underlying securities, the corresponding call options or other instruments capable of guaranteeing coverage of the obligations assumed under the contracts in question, such as warrants.

The securities underlying written call options cannot be sold so long as such options are outstanding if they are not hedged by corresponding call options or other instruments which may be used for the same purpose.

The same applies to corresponding call options or other instruments that the relevant Sub-Fund is required to hold if it does not own the underlying securities at the time the related call option is written.

As an exception to this rule, each Sub-Fund may write call options relating to securities, which it does not own at the time the option agreement, is concluded under the following conditions:

- the exercise price of the call options being written must not exceed 25% of the total net assets of the relevant Sub-Fund.
- the relevant Sub-Fund must be at all time capable of hedging the positions taken in the context of the writing of such options.

When writing put options, the relevant Sub-Fund must maintain an amount of cash during the entire term of the option agreement sufficient to cover payment for the securities which may be delivered to it in the event the counterpart exercises its option.

#### *1.3. Conditions and limitations on the writing of call and put options*

The sum of the commitments resulting from the writing of put and call options (excluding the writing of call options for which the relevant Sub-Fund has adequate coverage) and the sum of the commitments resulting from transactions described under point 2.4 below, must never together exceed the aggregate net assets of the relevant Sub-Fund.

For such purposes, the commitment for written call and put options corresponds to the total sum of exercise prices for these options.

## 2. Transactions relating to futures, forward contracts and option contracts on financial instruments

Except for transactions by mutual agreements referred to under point 2.2. below, the transactions hereunder must only be based on contracts which are traded on a regulated market, which is in continuous operation, and which is recognised and open to the public or traded with a leading and recognised financial institution specialising in these types of transactions and participating to the over the counter market in financial derivative instruments.

Subject to the conditions set forth hereafter, these transactions may be engaged in for hedging or other purposes.

### *2.1. Transactions aimed at hedging risks related to stock market trends*

With a view to globally hedging its assets against the risk of an unfavourable swing in the stock market, the Sub-Fund may sell futures or forward contracts on stock exchange indices. For the same reasons, it may also write call options or buy put options on stock exchange indices.

The hedging objective of the above-mentioned transactions implies that there will be a sufficiently close relationship between the composition of the index used and that of the corresponding portfolio.

In general, the total of the obligations relating to futures or forward contracts and option agreements on stock exchange indices must not exceed the aggregate value of the securities held by the relevant Sub-Fund in the stock market corresponding to such index.

### *2.2. Transactions aimed at hedging risks related to changes in interest rates*

With a view to globally hedging itself against variations in interest rates, a Sub-Fund may sell interest rate futures or forward contracts. For the same reasons, it may write call options or buy put options on interest rates or enter into interest rate swaps in the context of transactions by mutual agreements with leading financial institutions specialising in this type of transaction.

When concluding such agreements, the total value of the futures or forward contracts, options and interest rate swaps must in general not exceed the aggregate value of the assets of a Sub-Fund denominated in the corresponding currency.

### *2.3. Transactions aimed at hedging risks related to foreign exchange ("FX") risks*

The Management Company and/or the Investment Manager acting on behalf of the Fund may enter into forward or future currency contracts as well as writing call options and buying put options on currencies. Such transactions are limited to agreements, which are traded on a regulated market, which is in continuous operation and which is recognised and open to the public.

For the same purpose, the Fund may enter into forward sales of currencies or currency swaps in the context of transactions by mutual agreements dealing with leading financial institutions specialising in these sorts of transactions.

The objective of the above-mentioned transactions, namely the hedging of the assets of each Sub-Fund, presupposes the existence of a direct link between such transactions and the assets to be hedged, which implies that transactions involving a currency must generally not exceed in amount the aggregate estimated value of the assets expressed in such currency nor extend beyond the holding period for such assets.

### *2.4. Transactions entered into for purposes other than hedging*

The Management Company and/or the Investment Manager acting on behalf of a Fund may, for purposes other than hedging, buy and sell forward or future contracts and buy and write options on all types of financial instruments and may enter into equity swaps, provided that the sum of the commitments resulting from such purchase and sale transactions, when added to the sum of all commitments resulting from the writing of put and call options on transferable securities, does not exceed at any time the total net assets of the relevant Sub-Fund.

Written call options on transferable securities for which the relevant Sub-Fund is adequately hedged are not taken into account for the calculation of the sum of all commitments referred to above.

In this context, commitments resulting from transactions other than options on transferable securities are defined as follows:

- the commitments arising from forward or future contracts are equal to the net settlement values for positions on contracts relating to identical financial instruments (after offsetting of short and long positions), without regard to the respective maturity dates; and
- the commitments arising from writing or purchasing option contracts is equal to the sum of the exercise prices of the options making up the net short position on the same underlying asset, without regard to the respective maturity dates.

It is noted that the amount of premiums paid for the acquisition of call and open put options referred to herein must not, together with the amount of premiums paid for the acquisition of call and put options on transferable securities referred to under point 1.1, exceed 15% of the total net assets of the relevant Sub-Fund.

The Management Company and/or the Investment Manager acting on behalf of the Fund will only enter into equity swap transactions with highly rated financial institutions specialised in this type of transactions.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for the reports in question.

#### *Specific conditions to be met when using structured financial products*

- The structured financial products and investment certificate has to be admitted to or to be dealt in on a regulated market referred to in Art. 41 (1) of the UCI Law.
- The underlying must consist of instruments covered by Art. 41 (1) of the UCI Law.
- If the underlying is an index, such index has to be regulated and composed or calculated on basis of at least 5 components.
- The issuers of the certificates must be institutions subject to prudential supervision, and belonging to the categories approved by the CSSF.
- The certificate must be subject to reliable, verifiable and regular valuation and settlement must be possible at fair value.
- The settlement may only be made in cash and not by delivery of the underlying asset.
- Certificates cannot give rise to leverage.

### 3. Credit Default Swaps

The Management Company acting on behalf of the Fund may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference entity.

The protection buyer must either sell particular obligations issued by the reference entity at their par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price of such reference obligation and par. A credit event is commonly defined as one of the following; failure to pay, obligation acceleration, obligation default, repudiation / moratorium or restructuring. The International Swaps and Derivatives Association ("ISDA") has produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

The Management Company acting on behalf of the Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolios by buying protection.

In addition, the Management Company acting on behalf of the Fund may, provided it is in the exclusive interests of its unitholders, buy protection under credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swaps previously purchased and the aggregate premiums paid relating to the purchase of options on transferable securities or on financial instruments for a purpose other than hedging, may not, at any time, exceed 15% of the net assets of the relevant Sub-Fund.

Provided it is in the exclusive interests of its unitholders, the Management Company acting on behalf of the Fund may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swaps sold together with the amount of the commitments relating to the purchase and sale of futures and option contracts on any kind of financial instruments and the commitments relating to the sale of call and put options on transferable securities may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

The Management Company acting on behalf of the Fund will only enter into credit default swap transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA. In addition, the use of credit default swaps must comply with the investment objectives and policies and risk profile of the relevant Fund.

The total commitments arising from the use of credit default swaps together with the total commitments arising from the use of other derivative instruments may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

The Management Company acting on behalf of the Fund will ensure that, at any time, it has the necessary assets in order to pay redemption proceeds resulting from redemption requests and also meet its obligations resulting from credit default swaps and other techniques and instruments.

#### 4. Forward Sales Transactions

The Management Company acting on behalf of the Fund may enter from time to time into forward sales transactions consisting of the sale of securities the terms of which allow the seller to sell the securities at a price and at a date specified between both parties when entering into the transaction.

##### *4.1. Rules aimed at ensuring the successful execution of forward sales transactions*

The Management Company acting on behalf of the Fund may only participate in such transactions if the counterpart is a leading financial institution specialising in this sort of transaction.

##### *4.2. Conditions and limitations on forward sales transactions*

The securities to be secured must be detained in the portfolio of the Sub-Fund prior to enter into a forward sales transaction.

As long as the forward sales transactions are in effect, the Sub-Fund must not sell the securities covered by such transaction.

The Sub-Fund must take care to ensure that the number of forward sales transactions be maintained at a level that allows it at all times to meet any redemption obligations.

Each Sub-Fund currently has no intention to employ total return swaps or efficient portfolio management techniques such as securities lending and securities borrowing, repo and reverse repo, buy-sell back transactions or sell-buy back transactions, margin lending transactions. In case a Sub-Fund will employ such strategies and accept collateral to reduce counterparty risk in the future, it will comply with the relevant regulations and in particular with 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 and amending Regulation (EU) No 648/2012), the relevant CSSF circulars and update the Prospectus accordingly.

## APPENDIX III – Risk Factors

Each separate security in which a Sub-Fund may invest and the investment techniques which a Sub-Fund may employ, are subject to various risks. This Section is in addition to, and should be read together with the specific risks sections in the Sub-Funds' descriptions in the relevant Supplement in Appendix IV to this Prospectus. The following describes some of the general risk factors that should be considered before investing in a particular Sub-Fund. The following list is neither specific nor exhaustive and a financial adviser or other appropriate professional should be consulted for additional advice. In addition, these risks are limited to those generally applicable to the Fund and each Sub-Fund and are not specific to any of the Sub-Funds. The Supplement in Appendix IV to this Prospectus issued in connection with each Sub-Fund must be reviewed in order to understand the particular risks related to each Sub-Fund.

### 1. Equity Securities

Investing in equity securities involves risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole.

### 2. Debt Securities

Among the principal risks of investing in debt securities are the following:

#### a) Changing Interest Rates

The value of any fixed income security held by a Sub-Fund will rise or fall inversely with changes in interest rates. Interest rates typically vary from one country to another, and may change for a number of reasons.

Those reasons include rapid expansions or contractions of a country's money supply, changes in demand by business and consumers to borrow money and actual or anticipated changes in the rate of inflation.

In general, if interest rates increase, one may expect that the market value of a fixed income instrument which pays interest payments would fall, whereas if interest rates decrease, one may expect that the market value of such investment would increase.

#### b) Credit Risk

The issuer of any debt security acquired by any Sub-Fund may default on its financial obligations. Moreover, the price of any debt security acquired by a Sub-Fund normally reflects the perceived risk of default of the issuer of that security at the time the Sub-Fund acquired the security. If after acquisition the perceived risk of default increases, the value of the security held by the Sub-Fund is likely to fall.

There are many factors that could cause an issuer to default on its financial obligations, or an increase in the perceived risk of default of an issuer. Among those factors are the deteriorating financial condition of the issuer caused by changes in demand for the issuer's products or services, catastrophic litigation or the threat of catastrophic litigation and changes in laws, regulations and applicable tax regimes. The more concentrated a Sub-Fund is in a particular industry; the more likely it will be affected by factors that affect the financial condition of that industry as a whole. Securities rated below investment grade may have greater price volatility and a greater risk of loss of principal and interest than investment grade debt securities.

A rating is not a recommendation to buy, sell or hold any of our securities. Any or all of these ratings are subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

Additionally, there are special risks considerations associated with investing in certain types of debt securities:

#### c) Mortgage-related Securities and Asset-backed Securities

Certain Sub-Funds may invest in mortgage derivatives and structured notes, including mortgage-backed and asset-backed securities. Mortgage pass-through securities are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are usually made monthly, in effect "passing through" monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment

of principal based on an expected repayment schedule on mortgage pass-through securities held by a Sub-Fund (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the relevant Sub-Fund reinvests such principal. In addition, as with callable fixed-income securities generally, if the Fund purchased the securities at a premium, sustained earlier than expected, repayment would reduce the value of the security relative to the premium paid. When interest rates rise or decline, the value of a mortgage related security generally will decline, or increase but not as much as other fixed-income, fixed-maturity securities which have no prepayment or call features.

Asset-backed transferable securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Interest rate risk is greater for mortgage-related and asset-backed securities than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Sub-Fund because the Sub-Fund must reinvest assets previously invested in these types of securities in securities with lower interest rates.

**d) Collateralized Mortgage Obligations (CMO)**

A CMO is a security backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. CMOs of different classes are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMOs first to mature generally will be retired prior to its maturity. As with other mortgage-backed securities, if a particular class or series of CMOs held by a Sub-Fund is retired early, the Sub-Fund would lose any premium it paid when it acquired the investment, and the Sub-Fund may have to reinvest the proceeds at a lower interest rate than the retired CMO paid. Because of the early retirement feature, CMOs may be more volatile than many other fixed-income investments.

**e) Yankee Bonds**

Certain Sub-Funds may invest in U.S. dollar-denominated bonds issued in U.S. capital markets by foreign banks or corporations ("Yankee Dollar bonds"). Yankee Dollar bonds are generally subject to the same risks that apply to domestic bonds, notably credit risk, market risk and liquidity risk. Additionally, Yankee Dollar bonds are subject to certain sovereign risks, such as the possibility that a sovereign country might prevent capital, in the form of U.S. dollars, from flowing across its borders. Other risks include adverse political and economic developments; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and the expropriation or nationalization of foreign issuers.

**f) Zero Coupon Securities**

Certain Sub-Funds may invest in zero coupon securities issued by governmental and private issuers. Zero coupon securities are transferable debt securities that do not pay regular interest payments, and instead are sold at substantial discounts from their value at maturity. The value of these instruments tends to fluctuate more in response to changes in interest rates than the value of ordinary interest-paying transferable debt securities with similar maturities. The risk is greater when the period to maturity is longer. As the holder of certain zero coupon obligations, the relevant Sub-Funds may be required to accrue income with respect to these securities prior to the receipt of cash payment. They may be required to distribute income with respect to these securities and may have to dispose of such securities under disadvantageous circumstances in order to generate cash to satisfy these distribution requirements.

**g) Variation in Inflation Rates**

Certain Sub-Funds may invest in inflation-linked debt securities. The value of such securities fluctuates with the inflation rate of the corresponding geographical area.

## **h) Convertible Securities**

Certain Sub-Funds may invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or preferred stock.

### **3. Exchange Rates and Currency Transactions**

Some Sub-Funds are invested in securities denominated in a number of different currencies other than their Base Currency, respectively the unit currency of their class(es) of Units. Changes in foreign currency exchange rates will affect the value of some securities held by such Sub-Funds.

The Sub-Funds may, whether or not in respect of hedged classes of Units, engage in a variety of currency transactions. In this regard, spot and forward contracts and OTC options are subject to the risk that counterparties will default on their obligations as these contracts are usually not guaranteed by an exchange or clearing house. Therefore a default on the contract would deprive a Sub-Fund of unrealized profits, transaction costs and the hedging benefits of the contract or force the Sub-Fund to cover its purchase or sale commitments, if any, at the current market price. To the extent that a Sub-Fund is fully invested in securities while also maintaining currency positions, it may be exposed to a greater combined risk in comparison to investing in a fully invested Sub-Fund (without currency positions). The use of currency transactions is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Fund is incorrect in its forecasts of market values and currency exchange rates, the investment performance of a Sub-Fund would be less favourable than it would have been if this investment technique were not used.

### **4. Sub-Fund Concentration**

Although the strategy of certain Sub-Funds of investing in a limited number of securities has the potential to generate attractive returns over time, it may increase the volatility of such Sub-Funds' investment performance as compared to funds that invest in a larger number of securities. If the securities in which such Sub-Funds invest perform poorly, the Sub-Funds could incur greater losses than if it had invested in a larger number of securities.

### **5. Liquidity**

Certain Sub-Funds may acquire securities that are traded only among a limited number of investors. The limited number of investors for those securities may make it difficult for the Sub-Funds to dispose of those securities quickly or in adverse market conditions. Many derivatives and securities that are issued by entities that pose substantial credit risks typically are among those types of securities that the Sub-Funds may acquire that only are traded among limited numbers of investors.

### **6. Limited Hedging**

Some Sub-Funds will engage in limited hedging activities, in as much as the Sub-Funds may only employ limited hedging techniques (write call options or purchase put options). The Sub-Funds may not maintain such hedged positions if doing so would create a net short position with respect to such security, and the Sub-Funds may not engage otherwise in short-selling strategies at any time. As a general matter, these limitations on the Sub-Funds' ability to enter into hedging transactions may prevent the Sub-Funds from minimizing potential losses in ways available to traditional hedge funds, particularly in a market environment in which the value of equities is generally declining.

### **7. Foreign Exchange/Currency Risk**

Although Units of the different classes within the relevant Sub-Fund may be denominated in different currencies, the Sub-Funds may invest the assets related to a class of Units in securities denominated in a wide range of other currencies. The Net Asset Value of the relevant class of Units of the relevant Sub-Fund as expressed in their unit currency will consequently fluctuate in accordance with the changes in foreign exchange rate between their unit currency and the currencies in which the Sub-Funds' investments are denominated.

In addition, there is a risk that foreign exchange controls may be modified by foreign governments which may have an adverse effect on the Units.

The Sub-Fund may therefore be exposed to a foreign exchange/currency risk. However, these risks generally depend on factors outside of the Fund's control such as financial, economic, military and political events and the supply and demand for the relevant currencies in the global markets. It may be not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

Changes in Foreign Currency Exchange Rates can be volatile and unpredictable rates of exchange between currencies have been highly volatile, and this volatility may continue and perhaps spread to other currencies in the future. Fluctuations in currency exchange rates could adversely affect an investment in Units denominated in, or whose value is otherwise linked to, a foreign currency.

Depreciation of the specified currency against your own principal currency could result in a decrease in the market value of your Units, including the principal payable at maturity. That in turn could cause the market value of your Units to fall. Depreciation of the foreign currency against your own principal currency could result in a decline in the market value of your Units.

Government policy can adversely affect foreign currency exchange rates and an Investment in a foreign currency note can either float or be fixed by sovereign governments. From time to time, governments use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies.

Governments may also issue a new currency to replace an existing currency or alter the exchange rate or exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing foreign currency notes may be that their yields or pay outs could be significantly and unpredictably affected by governmental actions. Even in the absence of governmental action directly affecting foreign currency exchange rates, political, military or economic developments in the country issuing the specified foreign currency for a note or elsewhere could lead to significant and sudden changes in the foreign currency exchange rate between the foreign currency and your principal currency. These changes could affect your principal currency equivalent value of the note as participants in the global currency markets move to buy or sell the foreign currency or your own principal currency in reaction to these developments.

Governments have imposed from time to time and may in the future impose exchange controls or other conditions, including taxes, with respect to the exchange or transfer of a specified currency that could affect exchange rates as well as the availability of a specified currency for a note at its maturity or on any other payment date. In addition, the ability of a holder to move currency freely out of the country in which payment in the currency is received or to convert the currency at a freely determined market rate could be limited by governmental actions.

The Fund may enter into currency transactions as necessary to hedge the currency risks within the limits described in Appendix I to this Prospectus.

## **8. Changes in Applicable Law**

The Sub-Funds must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which they operate. Should any of those laws change over the life of the Sub-Funds, the legal requirement to which the Sub-Funds and their Unitholders may be subject could differ materially from current requirements

## **9. Use of derivatives and other investment techniques**

The Sub-Funds may employ techniques and instruments relating to Transferable Securities and other financial liquid assets for efficient portfolio management (i.e. to increase or decrease their exposure to changing security prices, interest rates, currency exchange rates, commodity prices or other factors that affect security values) and hedging purposes. These techniques may include the use of forward currency exchange contracts, contracts for differences, futures and option contracts, swaps and other investment techniques.

Participation in the futures and option markets, in currency exchange or swap transactions involves investment risks and transactions costs to which the Sub-Funds would not be subject in the absence of the use of these strategies.

As contracts for differences are directly linked to the value of the underlying assets they will fluctuate depending on the market of the assets represented in the contracts for differences.

The Fund may use these techniques to adjust the risk and return characteristics of a Sub-Funds' investment. If the Fund judges market conditions incorrectly or employs a strategy that does not correlate well with a Sub-Funds' investment, these techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These techniques may increase the volatility of a Sub-Fund and may involve a small investment of cash relative to the magnitude of the risk assumed. In addition, these techniques could result in a loss if the counterparty of the transaction does not perform as promised. Sub-Funds engaging in swap transactions are also exposed to a potential counterparty risk. In the case of insolvency or default of the swap counterparty, the Sub-Fund involved could suffer a loss.

There can be no assurance that the Fund will be able to successfully hedge the Sub-Funds or that the Sub-Funds will achieve their investment objectives.

#### **10. Conflict of Interest**

The Directors, the Management Company, the Investment Manager, the Depositary and the Administrator and/or their respective affiliates or any person connected with them (together the "**Relevant Parties**") may, from time to time, act as directors, investment manager, distributor, trustee, custodian, depositary, registrar, broker, administrator, investment adviser or dealer in relation to, or be otherwise involved in, other investment funds which have similar or different objectives to those of the Sub-Funds or which may invest in the Sub-Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Sub-Funds. The Board of Directors and each of the Relevant Parties will, at all times, have regard in such event to its obligations to the Sub-Funds and will endeavour to ensure that such conflicts are resolved timely and fairly. In addition, subject to applicable law, any Relevant Party may deal, as principal or agent, with the Sub-Funds, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Any Relevant Party may deal with the Fund as principal or as agent, provided that it complies with applicable law and regulation and provisions of the relevant agreement entered into.

In calculating the Fund's Net Asset Value, the Administrator may consult with the Management Company and the Investment Manager, with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Management Company and the Investment Manager in determining the Net Asset Value of the Fund and the entitlement of the Management Company and the Investment Manager to a management company fee and a management fee respectively, which is calculated on the basis of the Net Asset Value of the Fund.

The Management Company and the Investment Manager or any of their affiliates or any person connected with the Management Company and the Investment Manager may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund and its Sub-Funds.

The Management Company has established and implemented a conflicts of interest policy that contains appropriate measures to mitigate such conflicts of interests.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Sub-Funds. The Directors will seek to ensure that any conflict of interest of which they are aware is resolved timely and fairly.

<b>APPENDIX IV - Details of each Sub-Fund</b>
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Activated Sub-Funds

1. NB – Euro Bond
2. NB – Corporate Euro
3. NB – America Growth Fund
4. NB – Subordinated Debt Fund

## **1. Investment policy**

The Sub-Fund invests mainly in debt securities issued or guaranteed by an European OECD Member State or any of its political subdivisions, authorities, agencies or instrumentalities or by supranational entities of which one or more European OECD States are Members. On an ancillary basis, the Sub-Fund may also invest in corporate bonds issued by companies located in OECD countries as well as in sovereign debt securities issued or guaranteed by Non-European OECD states/countries. Sovereign debt securities issued or guaranteed by Non-European OECD states/countries must be rated at least A (A-, A, A+) by S&P, A (A3, A2, A1) by Moodys or A (A-, A, A+) by Fitch and its investment is limited to 10% of the net assets of the sub-fund.

The Index "*J.P. Morgan GBI EMU Unhedged LOC (JPMGEMLC) Index*", which aggregates the performance of the Economic and Monetary Union ("EMU") member states sovereign debt with several different maturities, is used for performance comparison and performance fee calculation purposes (as further detailed in section 17 below). Although suitable for performance comparison purposes given the focus of the management in sovereign debt issued by EMU members states, the Sub-Fund does not intend to track this Index and the management has absolute discretion to invest in securities not included in the Index and therefore the performance of the Sub-Fund may diverge substantially from the performance of the Index.

Financial derivatives will be used for hedging purpose and/or for the purpose of efficient portfolio management.

For the purposes of efficient portfolio management, options, swaps, futures, forward exchange contracts and credit derivatives may be used.

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

The Sub-Fund is suitable for investors who want to achieve long-term capital growth and who can afford to set aside the capital for at least 3-5 years.

## **3. Risk profile**

Medium to long-term investment with a medium level of risk.

## **4. Reference Currency**

The NAV of this Sub-Fund is denominated in EUR.

## **5. Terms of the Sub-Fund**

The Sub-Fund has been established for unlimited duration.

## **6. Investment Manager**

As provided for by the investment management agreement, the Management Company has appointed, on behalf of the Fund, GNB – GESTÃO DE PATRIMÓNIOS, Empresa de Investimento, S.A. (formerly designated "GNB – SOCIEDADE GESTORA DE PATRIMÓNIOS S.A.") ("GNB-GP") in Lisbon as investment manager of the Sub-Fund.

The investment management agreement has been signed between the Management Company and GNB-GP for an indeterminate period and may be terminated by either of the two parties subject to prior written notice of three months. The agreement may also be terminated on shorter notice in certain circumstances.

Pursuant to the aforementioned services agreement and with the prior consent of the Management Company and the approval of the CSSF, GNB-GP is authorised to delegate, under its responsibility at its own cost and in relation to certain Sub-Funds with a geographical focus, specialist asset management companies, in order to benefit from their expertise and experience in particular markets.

The Investment Manager is entrusted it with the task of assisting the Management Company in overseeing the trading activities of the Fund and ensuring compliance with the investment policy and strategy in accordance with the provisions of the prospectus, the investment management agreement and the decisions of the Management Company.

#### **7. Subscription Commission**

No Subscription Commission is charged.

#### **8. Redemption Commission**

No Redemption Commission is charged

#### **9. Conversion Commission**

No Conversion Commission is charged.

#### **10. Sub-Fund Subscription Deadline**

Subscription applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) every business day on the applicable Valuation Day. These will be processed, if they are accepted, at the issue price per unit dated as of the Valuation Day. Subscriptions received after the deadline mentioned above will be settled on the basis of the issue price dated as of the next Valuation Day.

The issue price of a Sub-Fund is paid to the Depositary within two (2) Business Day after the Valuation Day in favour of the Sub-Fund.

#### **11. Sub-Fund Redemption Deadline**

Redemptions applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) every business day on the applicable Valuation Day. These will be processed, if they are accepted, at the redemption price per unit dated as of the Valuation Day. Redemption applications received after the deadline mentioned above will be settled on the basis of the redemption price dated as of the next Valuation Day.

The counter value for redeemed Sub-Fund units is paid no later than four (4) Business Days after the Valuation Day unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.

#### **12. Sub-Fund Conversion Deadline**

Conversion applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) every business day on the applicable Valuation Day.

#### **13. Classes**

Following Units are available in the following Classes:

Classes of Units	Reference Currency	Other currency available for subscription	Eligible Investor	Dividend policy	Subscription Fee	Redemption Fee	Management Fee	Performance Fee
Class A	EUR	USD	Retail and institutional investors	CAP	0%	0%	0,75%	Yes (below)

#### 14. Minimum subscription

There is no minimum subscription in the Class A.

#### 15. Valuation Day

The net asset value and the issue and redemption prices per Unit of the Sub-Fund shall be dated as of every business day ("Valuation Day") in the Reference Currency of the Sub-Fund and calculated on the next Business Day.

#### 16. Management Fee

In consideration of their management of the Fund, the Management Company and the Investment Manager shall be entitled in aggregate to an annual management fee of 0,75% paid quarterly directly out of the assets of the Fund and expressed as a percentage of the average net assets of the Sub-Fund during such quarter.

#### 17. Performance Fee

The performance fee amounts to 15% of the excess return, net of all costs and charges except for the performance fee itself, above the performance of the "J.P. Morgan GBI EMU Unhedged LOC (JPMGEMLC) Index", measured against the High-Water Mark ("HWM"). The HWM is defined as the highest NAV per Unit of the Sub-Fund as at the end of the previous financial years since its formation (meaning that the reference period is the whole life of the fund).

Performance fees are calculated and accrued at each Valuation Day. If the NAV per Unit decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable. Investors shall note that, if the return of the NAV per Unit (measured against the HWM) is positive, but the Index performance is negative, the calculated performance fee per unit may imply that the NAV per unit after performance fee can be inferior to the High-Water Mark (please see the below example – year 4).

If the sub-fund underperforms the reference index, negative amounts are carried forward and, if still in existence at the end of the financial year, they are carried forward into the Sub-Fund's next financial year on a continuous base. In calculating the respective Sub-Fund's performance fee, negative amounts carried forward from the preceding financial year will be taken into account.

The performance fee, if positive, is payable to the Management Company at the end of each financial year (within 30 days from the previous year end) and is applied to the average total number of Units outstanding in such Sub-Fund during the relevant financial year. If Units are redeemed during the financial year, the fraction of the provisioned performance fee that corresponds to the total amount redeemed shall be crystallized (i.e. granted definitively to the Management Company) at the redemption date, regardless the subsequent performance of the sub-fund. In these cases, the average number of units are reset. Performance fees may also be crystallized in case of merger or liquidation of the sub-fund provided that its crystallization is not contrary to investors' best interest.

Please find below an example of performance fee calculation (assuming an initial NAV of €100):

Year	Nav end of the year (before performance fees)	Annual performance before performance fee	Benchmark performance	Negative lost carrying forward	HWM	fee rate	performance fee due	amount of the performance fee payable	NAV after performance fee
Year 1	105,0000 €	5%	2%	0%	100,0000 €	15%	YES =>15%x(5%-2%) = 0,45%	0,4500 €	104,5500 €
Year 2	107,6865 €	3%	5%	-2%	104,5500 €	15%	None*	- €	107,6865 €
Year 3	113,0708 €	5%	3%	0%	107,6865 €	15%	None**	- €	113,0708 €
Year 4	115,3322 €	2%	-13%	0%	113,0708 €	15%	YES =>15%x(15%) = 2,25%***	2,5441 €	112,7881 €
Year 5	110,5324 €	-2%	-5%	0%	113,0708 €	15%	None	- €	110,5324 €
Year 6	112,7430 €	2%	0%	0%	113,0708 €	15%	None****	- €	112,7430 €

\* Although absolute performance is positive, the fund underperformed the benchmark by (-)2% so no performance fee is due to the Management Company;

*\*\*Although absolute performance is positive and the fund overperformed the benchmark by 2%, the (-)2% of underperformance from the previous year was carried forward and therefore no performance fee is due to the Management Company;*

*\*\*\*In this case the NAV per unit after performance fee is inferior to the High-Water Mark because the performance of the fund was positive but the performance of the benchmark was substantially negative;*

*\*\*\*\*Although absolute performance is positive and the fund overperformed the benchmark by 2%, the fund didn't beat the HWM so no performance fee is due to the Management Company;*

“J.P. Morgan GBI EMU Unhedged LOC (JPMGEMLC) Index” aggregates the performance of the European Economic and Monetary Union (“EMU”) member states sovereign debt with several different maturities which is consistent with the investment objective, policy and strategy of the sub-fund (i.e. its risk/return profile).

“J.P. Morgan GBI EMU Unhedged LOC (JPMGEMLC) Index” is a benchmark provided J.P. Morgan Securities LLC (J.P. Morgan or the “Benchmark Administrator”). The Benchmark Administrator is located in a Third Country and therefore benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not yet appear on the ESMA Register of benchmarks administrators. The Management Company maintains a written plan setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided. Such written plan may be obtained free of charge at the registered office of the Management Company.

## **18. Calculation method to calculate the global exposure**

For the calculation of the global exposure in connection with the use of derivatives the Sub-Fund is using the commitment approach.

## **19. Sustainability risk and adverse sustainability impact**

**Sustainability risks:** Sustainability risks can be defined as environmental, social and/or governance events on the target investments / issuers that could cause actual or potential material negative impacts on sustainability factors, such as climate changes and other environmental issues, respect for the human rights, labor conditions and other social matters as well as good and transparent governance standards and practices at corporate level. Neglect such risks and potential negative impacts may jeopardize the long-term value of an investment.

**Sustainability risks assessment:** Considering the investment policy and strategy of the sub-fund as an European sovereign debt fund and the widely recognized commitment of the European Union with the Green Deal and the Paris Agreement on climate changes, the EU Action Plan on sustainable growth and the objective of the EU in taking a leading role in the implementation of the United Nations 2030 Agenda which sets the new global framework for sustainable development, aiming at eradicating poverty and achieving sustainable development by 2030 worldwide, sustainability risks and potential material negative impacts on sustainability factors from the investments made are inherently low in this sub-fund.

Notwithstanding the inherent low level of sustainability risks and potential adverse impacts, the sub-fund does not have an explicitly sustainable investment objective nor actively promote ESG characteristics in the terms of articles 9<sup>th</sup> and 8<sup>th</sup> respectively of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR regulation”) and therefore lies in article 6<sup>th</sup> of such regulation.

**Taxonomy Regulation:** Investments within the sub-fund do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities.

## **20. SFTR Regulation**

At the date of the Prospectus, the Sub-Fund does not intend to enter into total return swaps (the “TRS”) or securities financing transactions (the “SFTs”) as defined by EU Regulation 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse (the “SFTR”).

Should the Sub-Fund intends to use TRS and SFTs, the Prospectus will be then updated in order to comply with the relevant regulation and CSSF circulars.

## **1. Investment policy**

This Sub-Fund invests mainly in corporate debt securities on a worldwide basis issued in EUR currency. The objective of this Sub-Fund is to obtain a higher yield by investing in securities issued and guaranteed by entities rated at least B (B-, B, B+) by S&P, B (B3, B2, B1) by Moodys or B (B-, B, B+) by Fitch.

**Warning: Investors should be however aware that the quality of the entities that issue or guarantee the securities in which the Sub-Fund will invest are only rated at least B- by S&P or by Fitch or B3 by Moodys and therefore the investor's overall return could be harmed.**

The Sub-Fund may also invest in additional Tier-1 (AT1) instruments / contingent convertible (CoCos) up to a maximum of 15% of its NAV. These securities must also be rated at least B (B-, B, B+) by S&P, B (B3, B2, B1) by Moodys or B (B-, B, B+). A contingent convertible security ("CoCo") is an hybrid instrument that converts a bond type instrument into equity contingently on the occurrence of a certain event (the trigger event). The main characteristics of these instruments are a loss-absorption mechanism (conversion or write-down that can be final or temporary) and an activation trigger, either based on a mechanical rule or on the supervisory entity discretion. This characteristic can also be applied to the coupons / dividends offered throughout the lifetime of the instrument. They are issued as perpetual securities that may also have a call option for the issuer at specified maturities.

The most common issuers of CoCo securities are Banks. Based on current laws and regulations in various jurisdictions, the use of CoCo securities for Banks is allowed and support their effort to comply with the capital requirements, including buffers. Most of the CoCo securities issued have a contingency related to the level of Common Equity Tier 1 ratio of the Bank.

The main attraction of these securities for the investors is the high level of coupons / dividends offered when compared to other securities issued by the same entity.

Financial derivatives will be used for hedging purpose and/or for the purpose of efficient portfolio management.

For the purposes of efficient portfolio management, options, swaps, futures, forward exchange contracts and credit derivatives may be used.

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

The Sub-Fund is suitable for investors who want to achieve long-term capital growth and who can afford to set aside the capital for at least 3-5 years.

## **3. Risk profile**

Medium to long-term investment with a low to medium level of risk.

## **4. Specific Risk factors**

**Contingent Convertible Securities Risk:** The investment in contingent convertible bonds ("CoCos") as well as other hybrid securities may expose the fund to equity related risks following a conversion to equity and or loss of capital associated with principal "write-down" features.

Contingent convertible securities are also subject to additional risks specific to their structure including:

Conversion risk: In some cases, the issuer may cause a convertible security to convert to common stock. If a convertible security converts to common stock, the Sub-Fund may hold such common stock in its portfolio even if it does not ordinarily invest in common stock.

Trigger level risk: Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Management Company to anticipate the triggering events that would require the debt to convert into equity.

Capital structure inversion risk: Contingent convertible securities are typically structurally subordinated to traditional convertible bonds in the issuer's capital structure. In certain scenarios, investors in contingent convertible securities may suffer a loss of capital ahead of equity holders or when equity holders do not.

Written down risk: In some cases, the issuer may cause a convertible security to be written down in value based on the specific terms of the individual security if a pre-specified trigger event occurs. There is no guarantee that the Sub-Fund will receive return of principal on contingent convertible securities.

Yield / Valuation risk: The valuation of contingent convertible securities is influenced by many unpredictable factors such as:

- (i) the creditworthiness of the issuer and the fluctuations in the issuer's capital ratios;
- (ii) the supply and demand for contingent convertible securities;
- (iii) the general market conditions and available liquidity; and
- (iv) the economic, financial and political events that affect the issuer, the market it is operating in or the financial markets in general.

Liquidity risk: Convertible securities are subject to liquidity risk.

Coupon cancellation risk: In addition, coupon payments on contingent convertible securities are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The discretionary cancellation of payments is not an event of default and there are no possibilities to require re-instatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

Call extension risk: Contingent convertible securities are subject to extension risk. Contingent convertible securities are perpetual instruments and may only be callable at predetermined dates upon approval of the applicable regulatory authority. There is no guarantee that the Sub-Fund will receive return of principal on contingent convertible securities.

Unknown risk: Convertible contingent securities are a newer form of instrument and the market and regulatory environment for these instruments is still evolving. As a result it is uncertain how the overall market for contingent convertible securities would react to a trigger event or coupon suspension applicable to one issuer.

### **Sustainability risks and adverse sustainability impact:**

**Sustainability risks**: Sustainability risks can be defined as environmental, social and/or governance events on the target investments / issuers that could cause actual or potential material negative impacts on sustainability factors, such as climate changes and other environmental issues, respect for the human rights, labor conditions and other social matters as well as good and transparent governance standards and practices at corporate level. Neglect such risks and potential negative impacts may jeopardize the long-term value of an investment.

**Sustainability risks assessment performed by the Investment Manager**: Considering the investment policy and the set of potential eligible securities where the sub-fund may invest, material sustainability risks may arise which may cause an adverse impact on the long-term performance of the sub-fund. In order to reduce and mitigate those risks, the Investment Manager take into consideration sustainability factors and risks in its investment decision making process, assessing and managing potential adverse impacts on sustainability factors (and consequently on the long-term performance of the sub-fund) of the underlying investments and the overall asset allocation. Sustainability risks are assessed and managed by the Investment manager through

the assessment of the Eikon classification of the underlying issuers/companies in terms of ESG scoring/rating during the investment decision making process and overall asset allocation construction. Eikon (developed by Thomson Reuters/Refinitiv) analyses around 450 metrics (qualitative and quantitative) of companies at a global level in order to classify each company in terms of an ESG score/rating.

Notwithstanding the assessment and active management of sustainability risks, the sub-fund does not have an explicitly sustainable investment objective nor actively promote ESG characteristics in the terms of articles 9<sup>th</sup> and 8<sup>th</sup> respectively of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR regulation") and therefore lies in article 6<sup>th</sup> of such regulation.

**Taxonomy Regulation:** Investments within the sub-fund do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities.

## **5. Reference Currency**

The NAV of this Sub-Fund is denominated in EUR.

## **6. Terms of the Sub-Fund**

The Sub-Fund has been established for unlimited duration.

## **7. Investment Manager**

As provided for by the investment management agreement, the Management Company has appointed, on behalf of the Fund, GNB – GESTÃO DE PATRIMÓNIOS, Empresa de Investimento, S.A. (formerly designated "GNB – SOCIEDADE GESTORA DE PATRIMÓNIOS S.A.") ("GNB-GP") in Lisbon as investment manager of the Sub-Fund.

The investment management agreement has been signed between the Management Company and GNB-GP for an indeterminate period and may be terminated by either of the two parties subject to prior written notice of three months. The agreement may also be terminated on shorter notice in certain circumstances.

Pursuant to the aforementioned services agreement and with the prior consent of the Management Company and the approval of the CSSF, GNB-GP is authorised to delegate, under its responsibility at its own cost and in relation to certain Sub-Funds with a geographical focus, specialist asset management companies, in order to benefit from their expertise and experience in particular markets.

The Investment Manager is entrusted it with the task of assisting the Management Company in overseeing the trading activities of the Fund and ensuring compliance with the investment policy and strategy in accordance with the provisions of the prospectus, the investment management agreement and the decisions of the Management Company.

## **8. Subscription Commission**

No Subscription Commission is charged.

## **9. Redemption Commission**

No Redemption Commission is charged.

## **10. Conversion Commission**

No Conversion Commission is charged.

## **11. Sub-Fund Subscription Deadline**

Subscription applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) every business day on the applicable Valuation Day. These will be processed, if they are accepted, at the issue price per unit dated as of the Valuation Day. Subscriptions received after the deadline mentioned above will be settled on the basis of the issue price dated as of the next Valuation Day.

The issue price of a Sub-Fund is paid to the custodian within two (2) Business Days after the Valuation Day in favour of the Sub-Fund.

## 12. Sub-Fund Redemption Deadline

Redemptions applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) every business day on the applicable Valuation Day. These will be processed if they are accepted at the redemption price per unit dated as of the Valuation Day. Redemption applications received after the deadline mentioned above will be settled on the basis of the redemption price dated as of the next Valuation Day.

The counter value for redeemed Sub-Fund units is paid no later than four (4) Business Days after the Valuation Day unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.

## 13. Sub-Fund Conversion Deadline

Conversion applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) every business day on the applicable Valuation Day.

## 14. Classes

Following Units are available in the following Classes:

Classes of Units	Reference Currency	Other currency available for subscription	Eligible Investor	Dividend policy	Subscription Fee	Redemption Fee	Management Fee	Performance Fee
Class A	EUR	USD	Retail and institutional investors	CAP	0%	0%	0,60%	0%

## 15. Minimum subscription

There is no minimum subscription in the Class A.

## 16. Valuation Day

The net asset value and the issue and redemption prices per Unit of the Sub-Fund shall be dated as of every business day ("Valuation Day") in the Reference Currency of the Sub-Fund and calculated on the next Business Day.

## 17. Management Fee

In consideration of their management of the Fund, the Management Company, the Investment Manager shall be entitled in aggregate to an annual management fee of 0,60% paid quarterly directly out of the assets of the Fund and expressed as a percentage of the average net assets of the Sub-Fund during such quarter.

## 18. Performance Fee

No Performance Fee is paid.

## 19. Calculation method to calculate the global exposure

For the calculation of the global exposure in connection with the use of derivatives the Sub-Fund is using the commitment approach.

## **20. SFTR Regulation**

At the date of the Prospectus, the Sub-Fund does not intend to enter into total return swaps (the "TRS") or securities financing transactions (the "SFTs") as defined by EU Regulation 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse (the "SFTR").

Should the Sub-Fund intends to use TRS and SFTs, the Prospectus will be then updated in order to comply with the relevant regulation and CSSF circulars.

## NB – AMERICA GROWTH FUND

### **1. Investment policy**

This Sub-Fund invests mainly either directly or through investment funds in a broad range of equities issued by large-capitalization companies located mainly in the United States of America.

The Index “Morningstar US Large Cap PR USD (MLCP) Index”, which measures the performance of the US larger capitalization stocks, is used for performance comparison and performance fee calculation purposes (as further detailed in section 17 below). Although suitable for performance comparison purposes given the large capitalization focus of the management, the Sub-Fund does not intend to track this Index and the management has absolute discretion to invest in securities not included in the Index and therefore the performance of the Sub-Fund may diverge substantially from the performance of the Index. Financial derivatives will be used for hedging purpose and/or for the purpose of efficient portfolio management.

For the purposes of efficient portfolio management, options, swaps, futures and forward exchange contracts may be used.

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

The Sub-Fund is suitable for investors who want to achieve long-term capital growth.

### **3. Risk profile**

Medium to long-term investment with average to high risk.

### **4. Reference Currency**

The NAV of this Sub-Fund is denominated in USD.

### **5. Terms of the Sub-Fund**

The Sub-Fund has been established for unlimited duration.

### **6. Investment Manager**

As provided for by the investment management agreement, the Management Company has appointed, on behalf of the Fund, GNB – GESTÃO DE PATRIMÓNIOS, Empresa de Investimento, S.A. (formerly designated “GNB – SOCIEDADE GESTORA DE PATRIMÓNIOS S.A.”) (“GNB-GP”) in Lisbon as investment manager of the Sub-Fund. (“GNB-GP”) in Lisbon as investment manager of the Sub-Fund.

The investment management agreement has been signed between the Management Company and GNB-GP for an indeterminate period and may be terminated by either of the two parties subject to prior written notice of three months. The agreement may also be terminated on shorter notice in certain circumstances.

Pursuant to the aforementioned services agreement and with the prior consent of the Management Company and the approval of the CSSF, GNB-GP is authorised to delegate, under its responsibility at its own cost and in relation to certain Sub-Funds with a geographical focus, specialist asset management companies, in order to benefit from their expertise and experience in particular markets.

The Investment Manager is entrusted it with the task of assisting the Management Company in overseeing the trading activities of the Fund and ensuring compliance with the investment policy and strategy in accordance with the provisions of the prospectus, the investment management agreement and the decisions of the Management Company.

### **7. Subscription Commission**

No Subscription Commission is charged.

### **8. Redemption Commission**

No Redemption Commission is charged.

## 9. Conversion Commission

No Conversion Commission is charged.

## 10. Sub-Fund Subscription Deadline

Subscription applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) every business day on the applicable Valuation Day. These will be processed, if they are accepted, at the issue price per unit dated as of the Valuation Day. Subscriptions received after the deadline mentioned above will be settled on the basis of the issue price dated as of the next Valuation Day.

The issue price of a Sub-Fund is paid to the Depositary within two (2) Business Day after the Valuation Day in favour of the Sub-Fund. However, an exception is to be made to Class I (if any) where the issue price may be paid to the Depositary within five (5) Luxembourg bank business days after the applicable Valuation Day.

## 11. Sub-Fund Redemption Deadline

Redemptions applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) every business day on the Valuation Day. These will be processed, if they are accepted, at the redemption price per unit dated as of the Valuation Day. Redemption applications received after the deadline mentioned above will be settled on the basis of the redemption price dated as of the next Valuation Day.

The counter value for redeemed Sub-Fund units is paid no later than four (4) Business Days after the Valuation Day unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.

## 12. Sub-Fund Conversion Deadline

Conversion applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) every business day on the applicable Valuation Day.

## 13. Classes

Following Units are available in the following Classes:

Classes of Units	Reference Currency	Other available subscription currency for	Eligible Investor	Dividend policy	Subscription Fee	Redemption Fee	Management Fee	Performance fee
Class A	USD	EUR	Retail and institutional investors	CAP	0%	0%	2%	Yes see below

## 14. Minimum subscription

There is no minimum subscription in the Class A.

## 15. Valuation Day

The net asset value and the issue and redemption prices per Unit of the Sub-Fund shall be dated as of every business day ("Valuation Day") in the Reference Currency of the Sub-Fund and calculated on the next Business Day.

## 16. Management Fee

In consideration of their management of the Fund, the Management Company and the Investment Manager shall be entitled in aggregate to an annual management fee of 2% paid quarterly directly

out of the assets of the Fund and expressed as a percentage of the average net assets of the Sub-Fund during such quarter.

No Management Fee is charged on the Class I (if any).

### 17. Performance Fee

The performance fee amounts to 10% of the excess return, net of all costs and charges except for the performance fee itself, above the performance of the “Morningstar US Large Cap PR USD (MLCP) Index”, measured against the High-Water Mark (“HWM”). The HWM is defined as the highest NAV per Unit of the Sub-Fund as at the end of the previous financial years since its formation (meaning that the reference period is the whole life of the fund).

Performance fees are calculated and accrued at each Valuation Day. If the NAV per Unit decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable. Investors shall note that, if the return of the NAV per Unit (measured against the HWM) is positive, but the Index performance is negative, the calculated performance fee per unit may imply that the NAV per unit after performance fee can be inferior to the High-Water Mark (please see the below example – year 4).

If the sub-fund underperforms the reference index, negative amounts are carried forward and, if still in existence at the end of the financial year, they are carried forward into the Sub-Fund’s next financial year on a continuous base. In calculating the respective Sub-Fund’s performance fee, negative amounts carried forward from the preceding financial year will be taken into account.

The performance fee, if positive, is payable to the Management Company at the end of each financial year (within 30 days from the previous year end) and is applied to the average total number of Units outstanding in such Sub-Fund during the relevant financial year. If Units are redeemed during the financial year, the fraction of the provisioned performance fee that corresponds to the total amount redeemed shall be crystallized (i.e. granted definitively to the Management Company) at the redemption date, regardless the subsequent performance of the sub-fund. In these cases, the average number of units are reset. Performance fees may also be crystallized in case of merger or liquidation of the sub-fund provided that its crystallization is not contrary to investors’ best interest.

Please find below an example of performance fee calculation (assuming an initial NAV of €100):

Year	Nav end of the year (before performance fees)	Annual performance before performance fee	Benchmark performance	Negative lost carrying forward	HWM	fee rate	performance fee due	amount of the performance fee payable	NAV after performance fee
Year 1	105,0000 €	5%	2%	0%	100,0000 €	10%	YES =>10%x(5%-2%) = 0,30%	0,3000 €	104,7000 €
Year 2	107,8410 €	3%	5%	-2%	104,7000 €	10%	None*	- €	107,8410 €
Year 3	113,2331 €	5%	3%	0%	107,8410 €	10%	None**	- €	113,2331 €
Year 4	115,4977 €	2%	-20%	0%	113,2331 €	10%	YES =>10%x(22%) = 2,2%***	2,4911 €	113,0066 €
Year 5	110,7465 €	-2%	-5%	0%	113,2331 €	10%	None	- €	110,7465 €
Year 6	112,9614 €	2%	0%	0%	113,2331 €	10%	None****	- €	112,9614 €

\* Although absolute performance is positive, the fund underperformed the benchmark by (-)2% so no performance fee is due to the Management Company;

\*\*Although absolute performance is positive and the fund overperformed the benchmark by 2%, the (-)2% of underperformance from the previous year was carried forward and therefore no performance fee is due to the Management Company;

\*\*\*In this case the NAV per unit after performance fee is inferior to the High-Water Mark because the performance of the fund was positive but the performance of the benchmark was substantially negative;

\*\*\*\*Although absolute performance is positive and the fund overperformed the benchmark by 2%, the fund didn't beat the HWM so no performance fee is due to the Management Company;

“Morningstar US Large Cap PR USD (MLCP)” measures the performance of the US larger capitalization stocks which is consistent with the investment objective, policy and strategy of the sub-fund (i.e. its risk/return profile).

“Morningstar US Large Cap PR USD (MLCP) Index” is a benchmark provided by Morning Star Inc. (the “Benchmark Administrator”) which is located outside the EU. The Benchmark Administrator is located in a Third Country and therefore benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not yet appear on the ESMA Register of benchmarks administrators. The Management Company maintains a written plan setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided. Such written plan may be obtained free of charge at the registered office of the Management Company.

No Performance Fee is charged on the Class I (if any).

#### **18. Calculation method to calculate the global exposure**

For the calculation of the global exposure in connection with the use of derivatives the Sub-Fund is using the commitment approach.

#### **19. Sustainability risks and adverse sustainability impact:**

**Sustainability risks:** Sustainability risks can be defined as environmental, social and/or governance events on the target investments / issuers that could cause actual or potential material negative impacts on sustainability factors, such as climate changes and other environmental issues, respect for the human rights, labor conditions and other social matters as well as good and transparent governance standards and practices at corporate level. Neglect such risks and potential negative impacts may jeopardize the long-term value of an investment.

**Sustainability risks assessment performed by the Investment Manager:** Considering the investment policy and the set of potential eligible securities where the sub-fund may invest, material sustainability risks may arise which may cause an adverse impact on the long-term performance of the sub-fund. In order to reduce and mitigate those risks, the Investment Manager take into consideration sustainability factors and risks in its investment decision making process, assessing and managing potential adverse impacts on sustainability factors (and consequently on the long-term performance of the sub-fund) of the underlying investments and the overall asset allocation. Sustainability risks are assessed and managed by the Investment manager through the assessment of the Eikon classification of the underlying issuers/companies in terms of ESG scoring/rating during the investment decision making process and overall asset allocation construction. Eikon (developed by Thomson Reuters/Refinitiv) analyses around 450 metrics (qualitative and quantitative) of companies at a global level in order to classify each company in terms of an ESG score/rating.

Notwithstanding the assessment and active management of sustainability risks, the sub-fund does not have an explicitly sustainable investment objective nor actively promote ESG characteristics in the terms of articles 9<sup>th</sup> and 8<sup>th</sup> respectively of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR regulation”) and therefore lies in article 6<sup>th</sup> of such regulation.

**Taxonomy Regulation:** Investments within the sub-fund do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities.

#### **20. SFTR Regulation**

At the date of the Prospectus, the Sub-Fund does not intend to enter into total return swaps (the “TRS”) or securities financing transactions (the “SFTs”) as defined by EU Regulation 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse (the “SFTR”).

Should the Sub-Fund intends to use TRS and SFTs, the Prospectus will be then updated in order to comply with the relevant regulation and CSSF circulars.

## NB – SUBORDINATED DEBT FUND

### 1. Investment policy

The Sub-Fund aims to generate income (non-guaranteed) and capital appreciation over the medium to long-term by investing mainly in corporate subordinated securities issued by European corporations (but not necessarily in EURO currency). These securities may be both “investment grade” and “non-investment grade” (“high yield”). The Sub-fund may have a considerable concentration exposure to the financial sector (notably to Banks). However, the Sub-Fund will not invest in securities issued by Grupo NOVO BANCO.

To achieve its objective, the Sub-Fund will invest in the following type of securities:

- Non-Financial Corporate Hybrid Bonds up to a maximum of 35% of its NAV: These are long-term, callable subordinated bonds with flexible coupons (coupons are flexible but cumulative, the issuer cannot pay equity dividends or otherwise return capital to shareholders until the missed coupons are met). These securities must be rated at least B (B-, B, B+) by S&P, B (B3, B2, B1) by Moodys or B (B-, B, B+) and the Fund may not invest more than 15% of its NAV in Non-Financial Corporate Hybrid Bonds rated B.
- Financial Non-Preferred Senior (NPS) Bonds up to a maximum of 35% of its NAV: instruments between subordinated debt and senior unsecured debt (i.e. the preferred senior debt). NPS Bonds are unconditional, senior and unsecured obligations and rank *pari passu* amongst themselves and senior to subordinated bonds, but junior to senior preferred bonds and any claims benefiting from legal or statutory preferences. These securities must be rated at least BB (BB-, BB, BB+) by S&P, BB (BB3, BB2, BB1) by Moodys or BB (BB-, BB, BB+) and the Fund may not invest more than 10% of its NAV in Financial NPS Bonds rated BB.
- Tier 2 capital bonds up to a maximum of 35% of its NAV: Subordinated debt instruments issued by banks which are only senior to (additional) Tier 1 and Common Equity Tier 1 (CET1) instruments. These are long-term (usually with maturities greater than 5 years), callable subordinated bonds with fixed maturities and usually floater coupons with non discretionary payments. These securities must be rated at least B (B-, B, B+) by S&P, B (B3, B2, B1) by Moodys or B (B-, B, B+) and the Fund may not invest more than 10% of its NAV in Non-Financial Corporate Hybrid Bonds rated B.
- Additional Tier-1 (AT1) instruments / contingent convertible (CoCos) up to a maximum of 35% of its NAV. These securities must be rated at least B (B-, B, B+) by S&P, B (B3, B2, B1) by Moodys or B (B-, B, B+). A contingent convertible security (“CoCo”) is an hybrid instrument that converts a bond type instrument into equity contingently on the occurrence of a certain event (the trigger event). The main characteristics of these instruments are a loss-absorption mechanism (conversion or write-down that can be final or temporary) and an activation trigger, either based on a mechanical rule or on the supervisory entity discretion. This characteristic can also be applied to the coupons / dividends offered throughout the lifetime of the instrument. They are issued as perpetual securities that may also have a call option for the issuer at specified maturities.  
The most common issuers of CoCo securities are Banks. Based on current laws and regulations in various jurisdictions, the use of CoCo securities for Banks is allowed and support their effort to comply with the capital requirements, including buffers. Most of the CoCo securities issued have a contingency related to the level of Common Equity Tier 1 ratio of the Bank.  
The main attraction of these securities for the investors is the high level of coupons / dividends offered when compared to other securities issued by the same entity.

On an ancillary basis, and up to 20% of its NAV, the sub-fund may also invest in debt securities issued or guaranteed by an European OECD Member State or any of its political subdivisions, authorities, agencies or instrumentalities or by supranational entities.

The Sub-Fund may achieve its investment objective indirectly, by investing through other UCIs/UCITs (including UCITS ETFs) up to 10% of its net assets.

In order to mitigate interest rate, currency (FX) and default risks, this sub-fund may also use derivatives such as options, futures and forwards.

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

The Sub-Fund is suitable for investors who want to obtain an annual variable income (although not guaranteed) as well as to achieve a medium to long-term capital growth.

## **3. Risk profile**

Medium to long-term investment with a medium level of risk.

## **4. Specific Risk factors**

**Contingent Convertible Securities Risk:** The investment in contingent convertible bonds (“CoCos”) as well as other hybrid securities may expose the fund to equity related risks following a conversion to equity and or loss of capital associated with principal “write-down” features.

Contingent convertible securities are also subject to additional risks specific to their structure including:

Conversion risk: In some cases, the issuer may cause a convertible security to convert to common stock. If a convertible security converts to common stock, the Sub-Fund may hold such common stock in its portfolio even if it does not ordinarily invest in common stock.

Trigger level risk: Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Management Company to anticipate the triggering events that would require the debt to convert into equity.

Capital structure inversion risk: Contingent convertible securities are typically structurally subordinated to traditional convertible bonds in the issuer’s capital structure. In certain scenarios, investors in contingent convertible securities may suffer a loss of capital ahead of equity holders or when equity holders do not.

Written down risk: In some cases, the issuer may cause a convertible security to be written down in value based on the specific terms of the individual security if a pre-specified trigger event occurs. There is no guarantee that the Sub-Fund will receive return of principal on contingent convertible securities.

Yield / Valuation risk: The valuation of contingent convertible securities is influenced by many unpredictable factors such as:

- (i) the creditworthiness of the issuer and the fluctuations in the issuer’s capital ratios;
- (ii) the supply and demand for contingent convertible securities;
- (iii) the general market conditions and available liquidity; and
- (iv) the economic, financial and political events that affect the issuer, the market it is operating in or the financial markets in general.

Liquidity risk: Convertible securities are subject to liquidity risk.

Coupon cancellation risk: In addition, coupon payments on contingent convertible securities are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The discretionary cancellation of payments is not an event of default and there are no possibilities to require re-instatement of coupon payments or payment of any passed missed payments. Coupon payments may also be subject to approval by the issuer’s regulator and may

be suspended in the event there are insufficient distributable reserves. As a result of uncertainty surrounding coupon payments, contingent convertible securities may be volatile and their price may decline rapidly in the event that coupon payments are suspended.

Call extension risk: Contingent convertible securities are subject to extension risk. Contingent convertible securities are perpetual instruments and may only be callable at predetermined dates upon approval of the applicable regulatory authority. There is no guarantee that the Sub-Fund will receive return of principal on contingent convertible securities.

Unknown risk: Convertible contingent securities are a newer form of instrument and the market and regulatory environment for these instruments is still evolving. As a result it is uncertain how the overall market for contingent convertible securities would react to a trigger event or coupon suspension applicable to one issuer.

**Subordinated Debt and High Yield (credit and Default Risk):** A decline in the financial health of an issuer of a fixed income security can lead to an inability or unwillingness to repay a loan or meet a contractual obligation. This could cause the value of its bonds to fall or become worthless. The high exposure to subordinated debt securities and/or “non-investment grade” (“high yield”) securities leads to a higher exposure to this risk.

**Liquidity Risk:** Difficult market conditions may lead to certain subordinated securities becoming hard to sell at a desired time and price.

**Sustainability risks and adverse sustainability impact:**

**Sustainability risks:** Sustainability risks can be defined as environmental, social and/or governance events on the target investments / issuers that could cause actual or potential material negative impacts on sustainability factors, such as climate changes and other environmental issues, respect for the human rights, labor conditions and other social matters as well as good and transparent governance standards and practices at corporate level. Neglect such risks and potential negative impacts may jeopardize the long-term value of an investment.

**Sustainability risks assessment performed by the Investment Manager:** Considering the investment policy and the set of potential eligible securities where the sub-fund may invest, material sustainability risks may arise which may cause an adverse impact on the long-term performance of the sub-fund. In order to reduce and mitigate those risks, the Investment Manager take into consideration sustainability factors and risks in its investment decision making process, assessing and managing potential adverse impacts on sustainability factors (and consequently on the long-term performance of the sub-fund) of the underlying investments and the overall asset allocation. Sustainability risks are assessed and managed by the Investment manager through the assessment of the Eikon classification of the underlying issuers/companies in terms of ESG scoring/rating during the investment decision making process and overall asset allocation construction. Eikon (developed by Thomson Reuters/Refinitiv) analyses around 450 metrics (qualitative and quantitative) of companies at a global level in order to classify each company in terms of an ESG score/rating.

Notwithstanding the assessment and active management of sustainability risks, the sub-fund does not have an explicitly sustainable investment objective nor actively promote ESG characteristics in the terms of articles 9<sup>th</sup> and 8<sup>th</sup> respectively of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR regulation”) and therefore lies in article 6<sup>th</sup> of such regulation.

**Taxonomy Regulation:** Investments within the sub-fund do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities.

## **5. Reference Currency**

The NAV of this Sub-Fund is denominated in EUR.

## **6. Terms of the Sub-Fund**

The Sub-Fund has been established for unlimited duration.

## **7. Investment Manager**

As provided for by the investment management agreement, the Management Company has appointed, on behalf of the Fund, GNB – GESTÃO DE PATRIMÓNIOS, Empresa de Investimento, S.A. (formerly designated “GNB – SOCIEDADE GESTORA DE PATRIMÓNIOS S.A.”) (“GNB-GP”) in Lisbon as investment manager of the Sub-Fund.

The investment management agreement has been signed between the Management Company and GNB-GP for an indeterminate period and may be terminated by either of the two parties subject to prior written notice of three months. The agreement may also be terminated on shorter notice in certain circumstances.

Pursuant to the aforementioned services agreement and with the prior consent of the Management Company and the approval of the CSSF, GNB-GP is authorised to delegate, under its responsibility at its own cost and in relation to certain Sub-Funds with a geographical focus, specialist asset management companies, in order to benefit from their expertise and experience in particular markets.

The Investment Manager is entrusted with the task of assisting the Management Company in overseeing the trading activities of the Fund and ensuring compliance with the investment policy and strategy in accordance with the provisions of the prospectus, the investment management agreement and the decisions of the Management Company.

## **8. Subscription Commission**

There will be no subscription commission.

## **9. Redemption Commission**

There will be no redemption commission.

## **10. Conversion Commission**

There will be no conversion commission.

## **11. Sub-Fund Subscription Deadline**

Subscription applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) on the applicable Valuation Day. These will be processed, if they are accepted, at the issue price per unit dated as of the Valuation Day. Subscriptions received after the deadline mentioned above will be settled on the basis of the issue price dated as of the next Valuation Day.

The issue price of a Sub-Fund is paid to the Depositary within two (2) Business Days after the Valuation Day in favour of the Sub-Fund.

## **12. Sub-Fund Redemption Deadline**

Redemption applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) on the applicable Valuation Day. These will be processed, if they are accepted, at the redemption price per unit dated as of the Valuation Day. Redemption applications received after the deadline mentioned above will be settled on the basis of the redemption price dated as of the next Valuation Day.

The counter value for redeemed Sub-Fund units is paid no later than four (4) Business Days after the Valuation Day unless legal provisions, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible to transfer the redemption amount to the country in which the redemption application was submitted.

## **13. Sub-Fund Conversion Deadlines**

Conversion applications for the Sub-Fund should be addressed to the Registrar & Transfer Agent at the latest on 5.00 p.m. (Luxembourg time) on the day on the applicable Valuation Day.

## 14. Classes

Following Units are available in the following Classes:

Classes of Units	Reference Currency	Other available currency for subscription	Eligible Investor	Dividend policy	Subscription Fee	Redemption Fee	Management Fee	Performance fee
Class A	EUR	USD	Retail and institutional investors	DIS	0%	0%	1,00%	0%
Class I	EUR	USD	institutional investors	DIS	0%	0%	0,70%	0%

## 15. Minimum subscription

There is no minimum subscription in the Class A.

Class I has a minimum initial (first) subscription amount of €100.000. There is no minimum subscription amount for subsequent subscriptions made by an existing unitholder.

## 16. Valuation Day

The net asset value and the issue and redemption prices per Unit of the Sub-Fund shall be dated as of every business day ("Valuation Day") in the Reference Currency of the Sub-Fund and calculated on the next Business Day.

## 17. Management Fee

In consideration of their management of the Fund, the Management Company and the Investment Manager shall be entitled in aggregate to an annual management fee of 1,00% (for class A) and 0,70% (for class I) paid quarterly directly out of the assets of the Fund and expressed as a percentage of the average net assets of the Sub-Fund during such quarter.

## 18. Calculation method to calculate the global exposure

For the calculation of the global exposure in connection with the use of derivatives the Sub-Fund is using the commitment approach.

## 19. SFTR Regulation

At the date of the Prospectus, the Sub-Fund does not intend to enter into total return swaps (the "TRS") or securities financing transactions (the "SFTs") as defined by EU Regulation 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse (the "SFTR").

Should the Sub-Fund intends to use TRS and SFTs, the Prospectus will be then updated in order to comply with the relevant regulation and CSSF circulars.