

# ALTEX

Investment company with variable capital  
(*société d'investissement à capital variable*)

incorporated under Luxembourg law

and

governed by Part I of the 2010 Law

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## PROSPECTUS

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SEPTEMBER 2024



## GENERAL INFORMATION

**ALTEX** (The “**Fund**”) is an investment company with variable capital (*Société d'investissement à Capital Variable*) organised as a public limited liability company (*société anonyme*) under the laws of the Grand-Duchy of Luxembourg registered on the list of undertakings for collective investment in transferable securities (UCITS) and governed in accordance with Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment (the “Law of 2010”).

The registration of the Fund as an UCITS governed by Part I of the 2010 Law does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the asset portfolio of the Fund. Any representation to the contrary is unauthorised and unlawful.

Subscriptions can be accepted and are only valid if made on the basis of the information contained in the Prospectus in force supplemented by a relevant key investor information document (the “**KIID**”).

The present Prospectus may only be distributed together with the latest annual report and the subsequent latest semi-annual report of the Fund, when issued. Such reports form an integral part of this Prospectus.

No other information may be given other than that stated in the present Prospectus and in the relevant KIID and in the documents mentioned therein, which are available to the public.

### **Reliability and accuracy**

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

No person is authorised to give any information or to make any representation concerning the Fund other than as contained in this Prospectus, or in the documents referred to in the Prospectus and which can be consulted by the public.

This Prospectus may only be issued with one or more Supplements (the “**Supplements**” or each the “**Supplement**”), each containing information relating to a separate Sub-Fund. The creation of new Sub-Funds requires the prior review of the home regulator of the Fund, i.e., the CSSF. If there are different Classes of Shares representing a Sub-Fund, details relating to the separate Classes of Shares may be dealt with in the same Supplement.

This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Any information or representation given or made by any person not contained in the present Prospectus and in the relevant KIIDS, in the relevant Sub-Funds’ Supplements or in the reports forming part hereof should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus, of the relevant KIID, nor the offer, issue or sale of Shares shall in any circumstances constitute a representation that the information given in this Prospectus will remain correct as of any time subsequent to the date hereof.

This Prospectus is based on information, law and practice currently in force in Luxembourg (which may be subject to change) at the date hereof. The Fund cannot be bound by an out of date Prospectus when it

has issued a new Prospectus, and investors should check with the Management Company that this is the most recently published Prospectus.

To reflect material changes, such as the addition or the deletion of any Sub-Fund, creation of Class of shares this Prospectus as well as its Supplements will be updated as necessary. Therefore, it is recommended that potential applicants inform themselves about the publication of any subsequent Prospectus and/or KIID.

Potential subscribers and purchasers of Shares should review the Prospectus and its Supplements, carefully and in its entirety, as well as the KIID and inform themselves as to (a) their eligibility to invest in the Fund, (b) the possible tax consequences, (c) the legal requirements and (d) 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, holding, conversion, redemption or disposal of Shares.

The KIID of each Class of each Sub-Fund, the Prospectus, the latest annual and semi-annual reports of the Fund, are available at the registered office of the Fund and will be sent to investors upon request and are also available at [www.altex-am.com](http://www.altex-am.com).

**If you are in doubt about the content of this Prospectus or about your position in relation to the acquisition, holding, disposal or receipt of distributions in respect of Shares you should consult your stockbroker, bank manager, legal counsel, accountant or other professional advisor.**

#### **Sales restrictions in certain jurisdictions**

The distribution of this Prospectus and the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by laws.

If you come into possession of this Prospectus, you should observe any such restrictions. Any failure to comply with these restrictions may violate local laws on securities offering. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the "United States" or "US"). The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Accordingly, no Shares are being offered to US Persons or persons who are in the United States at the time the Shares are offered or sold. For the purposes of this Prospectus, a "**US Person**" includes any natural person or entity that is deemed a US person under US securities and tax law and/or regulations, including, without limitation: (i) an individual who is a resident of the US or a US citizen or US "green card" holder regardless of residence; (ii) an entity organized under US law including any non-US agency or branch of such entity; or (iii) a trust created or organized under US law. This definition shall be amended to the extent required to comply with changes in the US Person definitions under US securities and tax laws and/or regulations including, without limitation, the Foreign Account Tax Compliance Act ("**FATCA**") so as to cover any US person as defined under FATCA and other relevant US laws and regulations. Should a shareholder become a US Person, they may be subject to US withholding taxes and tax reporting.

As a result, the present document may not be introduced, transmitted nor distributed in the United States of America, their territories or possessions, or handed over to US Person. The Shares of the Company may not moreover be directly or indirectly offered or sold to US Persons in the United States of America

(including its territories and possessions). Any failure to abide by these restrictions may stand as a breach of US laws on transferable securities. The Board of Directors of the Fund may demand the immediate redemption of any Shares purchased or held by US Persons inclusive any investors who would become US Persons subsequently to their purchase of Shares.

## **Personal Data**

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, the Management Company, the Administrative Agent, the Registrar and Transfer Agent, the Depositary, the Paying Agent 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 law of 1st August 2018 concerning the organization of the *Commission nationale pour la protection des données* (the "**CNPD**") and the General Data Protection Regulation , (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 Shares and maintaining its holdings in the Fund. This failure may also need to be reported by the Fund, the Management Company and/or the Administrative Agent 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 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, date and place of birth, nationality, national identification number, address, 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).

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 Shares as well as the payment of dividends to Investors, (iii) ensure controls in terms of late trading and market timing operations, and record keeping as proof of a transaction or related communication (iv) comply with the applicable rules

regarding the prevention of money laundering and terrorist financing (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 (The "RBO") with the following information on any natural person controlling ultimately (directly or indirectly) the Fund or holding more than 25% of the Shares 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 Administrative Agent at the very least before the declaration is sent and in sufficient time to exercise their data protection rights.

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).

Investors acknowledge and accept that the Fund, the Management Company and/or the Administrative Agent 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.

Investors have a right to file a complaint with the Luxembourg data protection authority, the CNPD, if the investor has concerns about the processing of his or her personal data.

Below are the contact details of the CNPD:

Address: 15, Boulevard du Jazz, L-4370 Belvaux

Telephone: (+352) 26 10 60 -1

Fax.: (+352) 26 10 60 - 29

Website: <https://cnpd.public.lu/en.html>

Web-form: <https://cnpd.public.lu/en/droits/faire-valoir/formulaire-plainte.html>

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 wilful 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 ADEPA Asset Management S.A., 6A, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg or via email at [altex@altex-am.com](mailto:altex@altex-am.com).

Additional information on data protection contained in the information notice is available upon request and at the following weblink: [www.altex-am.com/](http://www.altex-am.com/).

The Fund will retain investors' personal data only for as long as necessary for the relevant processing activity and/or for as long as is necessary to comply with all relevant legal and regulatory requirements.

### **Nominee warning**

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund notably the right to participate in general Shareholders' meetings if the investor is registered himself and in his own name in the Shares' 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 Shareholder's rights directly against the Fund. Investors are advised to take advice on their rights.

### **Official language**

The official version of this Prospectus and of the Articles is in English. However, the Board of Directors may translate these documents into other languages as may be required in certain jurisdiction where Shares are distributed. Unless contrary to local law in the concerned jurisdiction, in the event of any discrepancy between the English text and its translation in another language or ambiguity in relation to the meaning of any word or sentence in any translation, the English version shall prevail.

### **General**

**Taking into account economic and stock exchange risks, no assurance may be given that the Fund will reach its investment objectives.**

**The value of the Shares may fall as well as rise and a Shareholder on transfer or redemption of Shares may not get back the amount he initially invested.**

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## DEFINITIONS

Unless otherwise stated, the following capitalized terms in this Prospectus shall have the meaning ascribed to them below:

<b>1915 Law</b>	means the Luxembourg law dated 10 August 1915 on commercial companies, as amended or supplemented from time to time.
<b>2010 Law</b>	means the Luxembourg law dated 17 December 2010 on undertakings for collective investments, as amended or supplemented from time to time.
<b>Articles</b>	means the articles of association of the Fund, as amended from time to time.
<b>Board of Directors</b>	means the board of directors of the Fund.
<b>Business Day</b>	means a day, other than Saturday and Sunday, on which banks are open for business in Luxembourg, unless otherwise stated.
<b>CFD</b>	means contract for difference.
<b>Class(es) of Shares</b>	means a class of Shares within a Sub-Fund which may be differentiated by inter alia its fee structure, minimum investment level, eligible investors, distribution policy and/or reference currency or any other feature.
<b>CSSF</b>	means the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg Supervisory Commission of the Financial Sector.
<b>ESG</b>	means environmental, social and governance factors, which are a subset of non-financial performance indicators which include sustainable, ethical, and corporate governance issues such as, without limitation, the impact of a company on the environment, the conduct of social and business relationships and governance ethics. These three factors, as determined by the Management Company for any particular Sub-fund, may be considered in addition to traditional financial analysis, securities selection and portfolio construction processes.
<b>ETF</b>	means an exchange traded fund.
<b>EUR</b>	means the European Union currency unit.
<b>FATCA</b>	The US Foreign Tax Compliance Act.
<b>Fund</b>	means Altex, an investment company with variable capital ( <i>société d'investissement à capital variable</i> ) in the form of a public limited liability company ( <i>société à responsabilité limitée</i> ) incorporated under Luxembourg law.
<b>Hedging</b>	means the risk management strategy employed to offset losses in investments by taking an opposite position in a related asset. The reduction in risk provided by hedging also typically results in a reduction in potential profits. Hedging strategies typically involve derivatives, such as

	options and futures contracts.
<b>Institutional Investors</b>	means investors who qualify as institutional investors in accordance with the administrative practice of the CSSF.
<b>KIID</b>	Key Investor Information Document
<b>MIFID II directive</b>	means the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as may be amended, supplemented, or replaced from time to time.
<b>NAV</b>	means the net asset value of the Fund, a Sub-Fund or a Class of Share as the case may be.
<b>Prospectus</b>	means this offering document as amended from time to time.
<b>Reference Currency</b>	means the currency of reference and consolidation in which a Sub-Fund is held or the currency in which a Class of Shares is denominated.
<b>Registrar Agent</b>	means the entity in charge of holding and maintaining up to date the register of Shares of the Fund.
<b>Securities Financing Transaction or SFT</b>	means (i) a repurchase transaction; (ii) securities lending and securities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; (iv) a margin lending transaction as defined under SFTR.
<b>SFDR</b>	Means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended from time to time.
<b>SFT Agent</b>	means any person involved in SFTs and/or TRSs as agent, broker, collateral agent, or service provider and that is paid fees, commissions, costs, or expenses out of the Fund's assets or any Sub-Fund' assets (which can be the counterparty of a Sub-Fund in an SFT and/or a TRS).
<b>SFTR</b>	means 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.
<b>Sub-Fund(s)</b>	means a specific portfolio of assets and liabilities within the Fund having its own net asset value and represented by a separate Class or Classes of Shares, which are distinguished mainly by their specific investment policy and objective and/or by the currency in which they are denominated.
<b>Share</b>	means a share issued by the Fund of any Class of Shares of any Sub-Fund.
<b>Shareholder</b>	means a holder of a Share.
<b>Taxonomy Regulation</b>	refers to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088, as

such may be amended, supplemented, or replaced from time to time.

<b>TRS</b>	means total return swap, i.e., a derivative contract as defined in point (7) of article 2 of the SFTR in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.
<b>UCI</b>	An undertaking for collective investment within the meaning of the 2010 Law.
<b>UCITS</b>	An undertaking for collective investment in transferable securities within the meaning of points a) and b) of article 1 (2) of the UCITS Directive.
<b>UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS
<b>USD</b>	means the United States of America currency.
<b>Valuation Day</b>	<p>means a Business Day as of which the Net Asset Value (NAV) is dated. The NAV is dated as of the Valuation Day, calculated on the next Business Day based on the closing prices of the same Valuation Day.</p> <p>The Valuation Day shall be any Business Day unless otherwise defined for a Sub-Fund in Part I of the Prospectus. The Board of Directors may in its absolute discretion amend the frequency of the Valuation Day for some or all of the Sub-Funds. In such case the Shareholders of the relevant Sub-Fund will be duly informed and the Specific information in Part I of this Prospectus will be updated accordingly.</p>

Reference to the singular includes the plural and *vice versa* and reference to one gender includes the other.

## DIRECTORY

<b>REGISTERED OFFICE</b>	6A, rue Gabriel Lippmann, L-5365 Munsbach  (as from 17 June 2024, prior to this date the registered office was established in 2 rue d'Alsace, L - 1122 Luxembourg)
<b>BOARD OF DIRECTORS</b>	Guillermo Zunzunegui Chairman  Carlos Dexeus Director  Blanca Gallud Dexeus Director
<b>MANAGEMENT COMPANY</b>	ALTEX Asset Management S.G.I.I.C. S.A. Paseo de la Castellana, 101 28046 Madrid
<b>BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY</b>	Guillermo Zunzunegui Calle Fuentemilanos 28035 Madrid  Carlos Dexeus Avenida Santa Coloma AD300 Andorra  Enrique Bailly-Baillièrè calle Monte Ana 28260 Galapagar (Madrid)
<b>DEPOSITARY AND PAYING AGENT</b>	Quintet Private Bank (Europe) S.A. 43, boulevard Royal, L - 2449 Luxembourg
<b>DOMICILIARY AGENT REGISTRAR AND TRANSFER AGENT ADMINISTRATIVE AGENT</b>	ADEPA Asset Management S.A. 6A, rue Gabriel Lippmann, L-5365 Munsbach  (as from 17 June 2024, prior to this the Domiciliary Agent, Registrar and Transfer Agent and Administrative Agent was UI efa S.A., 2 rue d'Alsace, L - 1122 Luxembourg)
<b>INDEPENDENT AUDITOR</b>	PricewaterhouseCoopers, Société cooperative 2, rue Gerhard Mercator, L-1014 Luxembourg

# PART I – GENERAL INFORMATION IN RELATION TO THE FUND

## 1. INTRODUCTION

### 1.1. THE FUND

ALTEX (the “Fund”) was incorporated on 19 April 1995 for an unlimited period, as SIGMA FUND. The Fund is an open-ended investment company with variable capital (*société d'investissement à capital variable*) in the form of a public limited liability company (*société anonyme*).

The Fund was created as a self-managed Part II Fund of the 2010 Law and was transformed to a Part I Fund of the 2010 Law at the extraordinary general meeting held on 27 December 2022.

The Articles were amended for the last time by notarial deed at an extraordinary general meeting held on 15 December 2023, the decision of which was published in the *Recueil Electronique des Sociétés et Associations* on 30 January 2024.

The consolidated version of the Articles currently in force is on file with the *Registre de Commerce et des Sociétés* of Luxembourg.

The Fund is registered with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 50828.

The minimum capital of the Fund is EUR 1,250,000.- or its equivalent in any other currency. The capital of the Fund is represented by Shares of no par value and shall at all time be equal to the total net assets of the Fund.

The Reference Currency of the Fund is EUR.

### 1.2. SUB-FUNDS AND CLASSES OF SHARES

The capital of the Fund is divided into different Sub-Funds.

The Fund is an “umbrella” structure company enabling investors to choose between one or more investment policy/objectives by investing in one or more Sub-Fund(s) within the same corporate investment vehicle.

Each Sub-Fund, with its own investment objective, constitutes a separate pool of assets. The characteristics and investment policy of each Sub-Fund are more fully described in the relevant Sub-Fund’s supplement (the “**Supplement**”) appended to the present Prospectus in Part II.

The Fund constitutes one sole legal entity. However, between Shareholders, each Sub-Fund will be deemed to be a separate entity. The assets of a Sub-Fund are only applicable to the debts, engagements and obligations of that Sub-Fund.

For the historical performance of the Sub-Funds, please refer to the KIIDs relating to the relevant Classes of Shares. (N.B. Historical performance is not an indication of future performance.)

Within each Sub-Fund, the Board of Directors is further entitled to create different Classes of Shares that may be characterized by their distribution policy (distribution Shares, capitalization Shares), their Reference Currency, their fee level, and/or by any other feature to be determined by the Board of Directors. In the case a new Sub-Fund or Class of Shares is created, this Prospectus will be updated

accordingly.

The subscription and redemption prices of Shares of each Class of Shares and/or Sub-Fund will be expressed in their Reference Currency.

## **2. INVESTMENT OBJECTIVES, POLICY, AND RESTRICTIONS**

### **2.1. INVESTMENT OBJECTIVES AND POLICY**

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of their Shareholders with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios within the limits set forth under the Section "Investment Restrictions" herein.

The objective sought by each Sub-Fund is the maximum appreciation of the assets invested. In order to achieve the investment objective, the assets of the Fund will be invested in transferable securities or other eligible assets permitted by the 2010 Law.

Details of the investment objective, investment strategies and certain terms relating to an investment in a Sub-Fund will be set out for each Sub-Fund in the relevant Supplement.

The Fund may take such amount of risk as it deems reasonable in view of reaching its objectives; it cannot however guarantee that it shall reach such objective due to stock exchange fluctuations and other risks incurred by investments made in transferable securities.

Unless otherwise specified in each Sub-Fund's investment policy, no guarantee can be given on the realization of the investment objectives of the Sub-Funds and past performance is not an indicator of future performances.

### **2.2. INVESTMENT RESTRICTIONS**

The general provisions hereunder shall apply to all the Sub-Funds of the Fund unless otherwise provided in the specific investment objectives of a Sub-Fund. In such case the Supplement of that Sub-Fund shall list the specific restrictions intended to take over the present general provisions.

#### **Section I**

- 1) The Fund will only invest in:
  - a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Directive 2014/65/UE;
  - b) transferable securities and money market instruments dealt in on another market in a Member State of the European Economic Area (a "Member State") which is regulated, operates regularly, and is recognised and open to the public;
  - c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in another regulated market in a non-Member State of the European Union which 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;
    - 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 article 1, paragraph (2), points a) and b) of the Directive 2009/65/EC, whether or not established in a Member State, provided that:
- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for unit-holders or shareholders in such other UCIs is equivalent to that provided for unit-holders 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 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 exposure 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, such valuation method will be approved by the auditors;
- h) money market instruments other than those dealt in on a regulated market, which fall under article 1 of the 2010 Law, if the issue or the issuer of such instruments is itself 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 the securities of which are dealt in on regulated markets

referred to in subparagraphs (a), (b) or (c) above; or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU 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 indents above 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) The Fund shall not, however:

- a) invest more than 10% of the assets of each Sub-Fund in transferable securities and money market instruments other than those referred to in paragraph (1);
- b) acquire either precious metals or certificates representing them.

3) Up to 20% of the Fund's net assets may be held in ancillary liquid assets, which will be limited to bank deposits at sight and cash held in current accounts, in order to cover current or exceptional payments, for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010, or for a period of time strictly necessary in case of unfavourable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law. The 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the Shareholders.

4) The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business.

5) Under the conditions set forth in Luxembourg laws and regulations, the Board of Directors may, at any time it deems appropriate and to the widest extent permitted by applicable Luxembourg laws and regulations, but in accordance with the provisions set forth in the sales documents of the Fund:

- a) create any sub-fund and/or class of shares qualifying either as a feeder UCITS or as a master UCITS,
- b) convert any existing Sub-Fund and/or Class of shares into a feeder UCITS sub-fund and/or class of shares or
- c) change the master UCITS of any of its feeder UCITS sub-fund and/or class of shares.

6) By way of derogation from article 46 of the 2010 Law, the Fund or any of its Sub-Funds which acts as a feeder (the "Feeder") of a master-fund shall invest at least 85% of its assets in another UCITS or in a sub-fund of such UCITS (the "Master"). The Feeder may not invest more than 15% of its assets in the following elements:

- a) ancillary liquid assets in accordance with article 41, paragraph (2), second sub-paragraph of the 2010 Law;
- b) financial derivative instruments which may be used only for hedging purposes, in accordance with Article 41 first paragraph, point g) and article 42 second and third paragraphs of the 2010 Law;
- c) movable and immovable property which is essential for the direct pursuit of the Fund's business.

## Section II

- 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 and may not hold 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 each Sub-Fund of the Fund in the same issuer in which it invests more than 5% of the assets must not exceed 40% of the value of the net assets of such Sub-Fund. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- 3) Notwithstanding the individual limits laid down in paragraph (1), the Fund may not combine, where this would lead to investing more than 20% of its assets in a single body, in any of the following:
  - a) investments in transferable securities or money market instruments issued by that body,
  - b) deposits made with that body, or
  - c) exposures arising from OTC derivative transactions undertaken with that body.
- 4) The limit laid down in the first sentence of paragraph (1) may be raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members.
- 5) The limit laid down in the first sentence of paragraph (1) may be raised to 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 which 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.
- 6) If the Fund invests more than 5% of the assets of each Sub-Fund in bonds referred to in the first sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of each Sub-Fund.

- 7) 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) above.

The limits set out in paragraphs 1), 2), 3) and 4) above may not be combined, and therefore investments in transferable securities or money market instruments issued by the same body and deposits or derivative instruments made with this same body in accordance with paragraphs 1), 2), 3) and 4) may not exceed a total of 35% in aggregate 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 Section.

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

The limits mentioned above are increased to a maximum 20% for investments in shares and/or bonds issued by the same entity, when the Fund's investment policy aims to reproduce the composition of a specific share or bond index recognised by the CSSF, on the following bases:

- a) the composition of the index is sufficiently diversified,
- b) the index constitutes a representative benchmark for the market to which it relates,
- c) it is subject to the appropriate publication.

The limit of 20% amounts to 35% provided this is justified on the basis of extraordinary market circumstances, in particular on regulated markets on which certain securities or money market instruments are extremely dominant. An investment up to this maximum limit is only possible with a single issuer.

### **Section III**

**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, its local authorities, a non-Member State of the EU (including but not limited to OECD member states or any member state of the G20), or public international bodies of which one or more Member States of the European Union are members.**

**The Sub-Fund shall hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of its total assets.**

### **Section IV**

- 1) The Fund may acquire units or shares of UCITS and/or other UCIs referred to in Section I, paragraph (1) (e), provided that no more than 20% in aggregate of the assets of each Sub-Fund are invested in the units or shares of UCITS or other UCIs or in one single such UCITS or other UCI.

Each sub-fund of a UCI with multiple sub-funds is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.

Investments in non-UCITS UCI may not, in aggregate, exceed 30% of the Sub-Fund's Net Asset Value;

The underlying investments held by the UCITS or other UCI in which a Sub-Fund invests do not have to be considered for the purpose of the investment restrictions set forth under Section II. above.

- 2) When a Sub-Fund invests in the units or shares of another UCITS or other UCI managed, directly or indirectly by delegation, by the Management Company or the Investment Manager (or any other legal entity connected to the Management Company) or by a company with which it (or any other legal entity connected to the Management Company) is linked by common management or control, or by a substantial direct or indirect holding (each, a "Related Fund"), the Sub-Fund may not be charged subscription or redemption fees with respect to the units or shares of such a Related Fund.
- 3) A Sub-Fund (the "Investing Sub-Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-Funds of the Fund ("Target Sub-Fund(s)") provided that:
  - a) the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund invested in this Target Sub-Fund; and
  - b) no more than 10% of the assets of the Target Sub-Fund whose acquisition is contemplated, may, according to its investment policy, be invested in aggregate in units of other UCITS and other UCIs; and
  - c) the Investing Sub-Fund may not invest more than 20% of its net assets in Shares of a single Target Sub-Fund; and
  - d) voting rights, if any, attaching to the Shares of the Target Sub-Funds are suspended for as long as they are held by the Investing Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the period reports; and
  - e) in any event, for as long as the Shares are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the 2010 Law.

## **Section V**

- 1) The Fund 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, each Sub-Fund may acquire no more than:
  - a) 10% of the non-voting shares of the same issuer;
  - b) 10% of the debt securities of the same issuer;
  - c) 25% of the units or shares of the same UCITS or other UCI within the meaning of article (2) of the 2010 Law;
  - d) 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 money market instruments or the net amount of the instruments in issue 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 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 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 corporate entity 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 Section II, III and V (paragraphs 1 and 2). Where the limits set in Section II and III are exceeded, article 49 of the 2010 Law shall apply *mutatis mutandis*;
  - e) Shares held by one or more investment companies in the capital of subsidiary companies which carry on only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the redemption of Shares at the request of Shareholders exclusively on its or their behalf.

## **Section VI**

- 1) 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 Fund may borrow the equivalent of:
  - a) Up to 10% of the assets of each Sub-Fund provided that the borrowing is on a temporary basis;
  - b) Up to 10% of the assets of each Sub-Fund provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of the Fund's business; in this case, these borrowings and those referred to in sub-paragraph a) may not in any case exceed 15% of the assets of each Sub-Fund in total.

## **Section VII**

- 1) 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 VIII**

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).

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

### **2.3. FINANCIAL TECHNIQUES AND INSTRUMENTS**

#### **2.3.1. GENERAL PROVISIONS**

Each Sub-Fund listed in Part II of the Prospectus, if provided for in the relevant Supplement in Part II of the Prospectus, may use derivatives and other techniques and instruments for the purpose of efficient management of the portfolio, investment, hedging or other risk management purposes.

A Sub-Fund may not, under any circumstances, deviate from its investment policy as laid down in the relevant Sub-Fund's Supplement in Part II of the Prospectus or add extra major risks when concluding transactions involving derivatives or other techniques and instruments.

In its financial reports, the Fund must disclose the exposure obtained through efficient portfolio management techniques; the identity of the counterparty(ies) to these efficient portfolio management techniques; the type and amount of collateral received by the Fund to reduce counterparty exposure; and the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

#### **2.3.2. FINANCIAL DERIVATIVES INSTRUMENTS**

The Fund is authorised, for each Sub-Fund and in accordance with its investment policy as further detailed in the relevant Sub-Fund's Supplement and Section 2 to use financial derivatives instruments which are (i) traded on a regulated market, which functions regularly and is recognised and open to the public or (ii) traded OTC with top-rated financial institutions specialised in this type of transaction.

A derivative is a financial contract whose value depends on the performance of one or more reference assets (such as a security or basket of securities, an index or an interest rate).

Derivatives may be used for hedging purposes (against various types of risk including but not limited to interest rate, credit, currency risk, and equity risk), and to gain exposure to certain investments or market for arbitrage purpose and for investment and efficient portfolio management purposes.

The Sub-Funds may use, but is not limited to, the following derivatives as more specified in each Sub-Fund Supplement:

- Financial futures
- Options, such as options on equities, interest rates, indices, bonds, currencies or commodity indices
- Warrants

- Forwards, such as currency forwards (foreign exchange contracts)
  - swaps (contracts where two parties exchange the returns from two different assets, indices, or baskets of the same), such as foreign exchange, interest rate, credit default swaps, commodity index swaps, volatility or variance swaps
- structured financial derivatives, such as credit-linked and equity-linked securities.

The Fund does not intend to use Total Return Swaps ("TRS") or derivatives with similar characteristics.

If this changes, this Prospectus shall be updated according to (i) clause 38 of ESMA recommendations 2014/937 on listed funds and other questions on UCITS covered by Circular CSSF 14/592 and (ii) Article 14 of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing and of reuse and amending Regulation (EU) No 648/2012 (the "SFTR Regulation").

Financial derivative instruments shall be taken to include instruments which fulfil the following criteria:

- a) they allow the transfer of the credit risk of an asset as referred to in point a) of paragraph (1) of Article 8 of the EU Directive 2007/16/EC of 19 March 2007 (The "Eligible Assets Directive") independently from the other risks associated with that asset;
- b) they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Article 41 (1) and (2) of the law of the 2010 Law;
- c) they comply with the criteria for OTC-derivatives laid down in the second and third indents of Article 41 (1) g) of the 2010 Law and in paragraphs (3) and (4) of Article 8 of the Eligible Assets Directive;
- d) their risks are adequately captured by the risk management process of the Fund, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives.

Each Sub-Fund may invest in financial derivative instruments within the limits laid down in Section I 1) g), provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Section II. When a Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in Section III. When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

The indices to which the Sub-Funds currently take exposure are S&P 500, Russell 2000, Nasdaq 100, Eurostoxx 50, EURO STOXX 50 Dividend Points (DVP) Index and CBOE Volatility Index (VIX). The indices to which the Sub-Funds will take exposure:

- a) Will comply with article 44 of the UCI Law and the article 9 of the Grand Ducal regulation dated 8 February 2008 and
- b) Will comply with CSSF Circular 14/592, on the Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues, dated 30 September 2014.
- c) Will mostly have (without being limited to) equities as underlying assets.

- d) May have different rebalancing frequencies, with the most prevalent rebalancing frequency being quarterly. The frequency of the rebalancing will not affect the costs linked to gaining exposure to the indices.

The list of indices to which the Sub-Fund may take exposure and information on these indices is available on the following website: [www.altex-am.com](http://www.altex-am.com). Should the Investment Manager, at his discretion, consider it is in the best interest of investors to take exposure to other indices (always meeting the above requirements), the list of indices will be updated accordingly.

When a Sub-Fund qualifies as a Feeder Sub-Fund, that Feeder Sub-Fund shall calculate its global exposure related to financial derivative instruments in accordance with Section I 5) above.

In its financial reports, the Fund must disclose:

- the underlying exposure obtained through OTC financial derivative instruments;
- the identity of the counterparty(ies) to these OTC financial derivative transactions; and
- the type and amount of collateral received by the Fund to reduce counterparty exposure.

### **2.3.3. TECHNIQUES AND INSTRUMENTS AND SECURITIES FINANCING TRANSACTIONS**

The Fund currently has no intention as at the date of the present prospectus to use techniques and instruments such as securities lending transactions and repurchase agreements (the “Techniques and Instruments”), as foreseen by the CSSF circular 08/356 on rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments (the “**CSSF Circular 08/356**”) as modified by CSSF Circular 11/512, CSSF circular 14/592 relating to ESMA Guidelines 2014/937 on ETFs and other UCITS issues (the “**CSSF Circular 14/592**”), including those targeted by the 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 (“**SFTR**”).

Securities Financing Transactions include (i) repurchase transactions, (ii) securities lending and securities borrowing, (iii) buy-sell back transactions or sell-buy back transactions and (iv) margin lending transactions, as defined under Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25th November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (“**SFTR**”).

Should the Fund foresee to use such Techniques and Instruments, the Prospectus and the relevant Sub-Funds’ supplements will be amended accordingly.

### **2.4. COLLATERAL MANAGEMENT AND POLICY**

To limit the counterparty risks linked to OTC financial instruments and to efficient portfolio management techniques, the Fund shall ensure that the counterparty remits and holds throughout the duration of the transaction, financial guarantees as described below *in accordance with the regulations in force and in particular the 2010 Law, Circular CSSF 08/356 and Circular CSSF 14/592 and ESMA Guidelines*.

#### **Collateral level and valuation**

The level of collateral required for OTC derivatives and other techniques and instruments shall be fixed in line with the nature and characteristics of the transactions carried out, counterparties, market conditions and regulations applicable. The level of collateral received by a Sub-Fund during the period of the transaction should be equal to 100% of the total value of the securities lent or repurchased or received within the framework of the OTC derivatives transaction.

### **Eligible collateral**

Collateral received by the Fund may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the relevant regulatory authority from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of article 56 of the Directive 2009/65/EC
- Valuation – the collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- Collateral shall be valued on a daily basis, based on the available market prices and adequate deductions decided on by the Management Company for each asset class other than cash on the basis of its haircut policy. If the prices of the collateral received are very volatile, the Fund shall require other collateral or apply a conservative discount.
- Issuer credit quality – the collateral received should be of high quality.
- Correlation – the collateral received by the Company should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets, and issuers.

The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Sub-Fund' net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

- Risks: the risks linked to managing the collateral, such as legal and operational risks are identified, managed and reduced in accordance with the Management Company's risk management process concerning the Fund.
- Transfer of ownership: Where there is a title transfer, the collateral received should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- Realisation: The collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Fund may consist of:

- (i) cash;
- (ii) bonds issued by supranational issuers or agencies with an AA rating from Standard & Poor's or equivalent;
- (iii) bonds issued by OECD states with an BBB credit rating from Standard & Poor's or equivalent; or
- (iv) bonds issued by private companies with a credit rating equal to or higher than A from Standard & Poor's or equivalent.
- (v) Shares representing common stock admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD and included in a main index.

### Haircut policy

This policy takes into account many factors depending on the nature of the collateral received, such as the issuer's credit rating, the maturity, currency and volatility of the assets price and, where applicable, the outcome of liquidity stress tests carried out by the Fund under normal and exceptional liquidity conditions.

The following haircut policy will be applied by the Fund to the eligible assets received in as collateral as set forth in the next paragraph being noted that the Fund reserves the right to modify this policy at any time:

<b>Eligible collateral</b>	<b>Haircut</b>
Cash	0%
Bonds issued by supranational issuers or agencies ( $\geq$ AA)	3%
Bonds issued by OECD States ( $\geq$ BBB)	3%
Bonds issued by private companies ( $\geq$ A)	5%
Shares representing common stock admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD and included in a main index.	5% - 15%

### Reinvestment of collateral

Cash received as collateral may be reinvested in deposits, government bonds, reverse repurchase agreements or short-term money market UCITS in accordance with the Management Company's risk policy.

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

Non-cash collateral received cannot be sold, reinvested, or pledged.

### 3. GLOBAL RISK EXPOSURE AND RISK MANAGEMENT

The Management Company, on behalf of the Fund, uses a risk-management process which enables it to monitor and measure at any time the risk of the positions in its portfolios and their contribution to the overall risk profile of its Sub-Funds.

In relation to financial derivative instruments the Fund must employ a process (or processes) for accurate and independent assessment of the value of OTC derivatives.

In the framework of the risk management process, either the commitment approach, or relative "value-at-risk" (hereinafter "VaR") approach, or absolute "value-at-risk" approach may be used to manage and measure the global risk exposure of each Sub-Fund. The choice of the approach used is based on the investment strategy of each Sub-Fund, on the type and complexity of the financial derivative instruments in which the relevant Sub-Fund may invest, and also on the proportion of financial derivative instruments held by the Sub-Fund. The approach used for each Sub-Fund is indicated in the specific Supplement of such Sub-Fund.

The commitment approach measures the overall risk exposure linked to investments in financial derivative instruments and other investment techniques (taking into account the netting and hedging effects), which shall not exceed the Net Asset Value. Pursuant to this approach, each financial derivative instrument is in principle converted to the market value of an equivalent investment in the underlying asset to this financial derivative instrument. The global risk exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The VaR measures the maximum expected loss taking into account a given confidence level and a given period. The VaR calculation is processed on the basis of a unilateral confidence interval of 99% and a twenty business day time horizon.

When using relative VaR, the calculated overall global risk exposure related to the whole portfolio investments of the relevant Sub-Fund does not exceed twice the VaR of the reference portfolio.

When using absolute VaR, the VaR of the relevant Sub-Fund is limited to a maximum of 20% of its Net Asset Value.

The expected level of leverage for each Sub-Fund using VaR is indicated in the specific Supplement of such Sub-Fund. In certain circumstances, this level of leverage may however be exceeded. The method used for determining the expected level of leverage of these Sub-Funds is based on the sum of the notionals.

Each Sub-Fund may invest, according to its investment policy and within the limits laid down in "Investment Restrictions" and "Financial Techniques and Instruments", in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in "Investment Restrictions", under Section II.

When a Sub-Fund invests in index-based financial derivative instruments, these investments do not necessarily have to be combined to the limits laid down in "Investment Restrictions" under Section II.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this Section.

## 4. RISK WARNINGS

*The risks described in this Section have been identified as the main risks that the Sub-Funds may be impacted by and do not purport to be exhaustive. A Sub-Fund may be impacted by other risks, as the case may, described in the respective Sub-Fund Supplement. Therefore, descriptions and warnings in this Section should be read in conjunction with the additional risks specified in the Sub-Fund Supplement.*

### **Regulatory Risk**

The Fund may be subject to a number of legal and regulatory risks, including contradictory interpretations or applications of laws, incomplete, unclear and changing laws, restrictions on general public access to regulations, practices and customs, ignorance or breaches of laws on the part of counterparties and other market participants, incomplete or incorrect transaction documents, lack of established or effective avenues for legal redress, inadequate investor protection, or lack of enforcement of existing laws. Difficulties in asserting, protecting, and enforcing rights may have a material adverse effect on the Sub-Funds and their operations. The Fund is a Luxembourg domiciled undertaking for collective investment and is therefore primarily governed by Luxembourg legislation. Investors should note that the regulatory protection mechanisms provided by their local regulatory authorities may differ or may not apply. Investors should consult their financial or other professional advisers for further information.

### **Conflicts of Interest Risk**

The Board of Directors, the investment manager (if any), the investment advisor(s) (if any), the distributor(s) (if any), the Management Company, the Administrative Agent, the Registrar and Transfer Agent, the Domiciliary and Corporate Agent and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the 'Parties') are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Fund and/or their respective roles with respect to the Fund. These activities may include managing or advising other funds, including other underlying funds, purchases and sales of securities, investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Fund may invest.

### **Custody risk**

The Depositary, and any entity to whom custody of fund assets is further delegated, are all considered counterparties and are subject to counterparty risk. In addition, because cash deposits are not segregated at the Depositary or sub-custodian level, these assets would be at greater risk in the event of a bankruptcy or other failure of any of these parties.

### **Operational risk**

The Fund's operations are carried out by the service providers mentioned in this Prospectus. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions, and redemption of Shares) or other disruptions.

### **General Economic Conditions Risks**

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions, including unexpected volatility or illiquidity in the market in which the Fund directly or indirectly holds positions, could impair the Fund's ability to achieve its objectives and/or cause it to incur losses.

**Market Risks**

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

**Liquidity Risk**

Despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Sub-Funds and Classes of Shares, both in the realisation of the prices which are quoted and in the execution of orders at desired prices.

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

Furthermore, redemptions by Shareholders could require the liquidation of securities positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Shares of both the redeeming Shareholders and the remaining Shareholders. For example, such redemptions could require liquidations of the positions in a short time frame, which could reduce the value of certain of a Sub-Fund's investments, thus impairing the ability of such Sub-Fund to liquidate its investments or in certain instances force such Sub-Fund to liquidate positions at a time other than when a Sub-Fund would elect to do so.

**Counterparty risk**

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

**Credit risk**

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

**Government Intervention Risk**

Interest rates and trading in financial instruments based on currencies or interest rates are subject to certain risks arising from government regulation of or intervention in the currency and interest rate markets through regulation of the local exchange market restrictions on foreign investments by residents, limits on inflows of funds or changes in the general level of interest rates. Such regulation or intervention could adversely affect the Fund's performance.

**Risks related to Investments in emerging and less developed countries**

Investments in emerging or less developed markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments; economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets. Therefore, investing in these markets involves certain risks and special considerations not typically associated with investment in major western jurisdictions. Some markets may carry higher risks for investors who should therefore ensure that, before investing, they understand the risks involved and are satisfied that an investment is suitable as part of their portfolio.

**Risks related to investments in equities (including ordinary and preference shares)**

Experience has shown that equities and securities of a share-like character are subject to strong price fluctuations. That is why they offer the possibility of considerable price gains, but also involve increased risks. For example, the prices of equities and securities of a share-like character are influenced above all by the profits or otherwise of individual enterprises and sectors as well as macro-economic developments and political perspectives which determine the expectations of the securities markets and thus the movement of prices. All factors affecting the value of securities in some markets and under certain situations cannot easily be determined and the value of such investments may decline or be reduced to zero.

**Risks related to Investments in Fixed Income Securities**

Even though interest-bearing securities are investments which promise a defined stream of income, the prices of such securities generally are inversely correlated to changes in interest rates and, therefore, are subject to the risk of market price fluctuations. The values of fixed-income securities also may be affected by changes in the credit rating, liquidity, or financial condition of the issuer. Certain securities that may be purchased by the Fund may be subject to such risk with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated fixed-income securities.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Sub-Fund's' investments in such markets may be less liquid and their prices may be more volatile than comparable investments in

securities traded in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

## **Risks related to investments in Derivatives**

### *Leverage Risk*

Because of the low margin deposits normally required in managing derivative instruments, an extremely high degree of leverage is typical. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the investor. Investment in derivative transactions may result in losses in excess of the amount invested.

### *Risks of Exchange Traded Derivative Transactions*

Each securities exchange or commodities contract market typically has the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Sub-Fund, to liquidate positions and, accordingly, expose the Fund to losses and delays in its ability to redeem Shares.

### *Risks of OTC Derivative Transactions*

Absence of regulation and counterparty default. In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and option contracts, credit default swaps, total return swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, any Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. A Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. Regardless of the measures the Fund may seek to implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

### *Liquidity and requirement to perform*

From time to time, the counterparties with which the Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the Management Company / investment manager with the possibility to offset the Fund's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or options contracts, the Fund may be required, and must be able, to perform its obligations under the contracts.

### *Necessity for counterparty trading relationships*

As noted above, participants in the OTC market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Fund and the Management Company / investment manager believe that the Fund will be able to establish multiple counterparty business relationships to permit the Fund to effect transactions in the OTC market and other counterparty markets (including credit default swaps, total return swaps and other swaps market as applicable), there can be no assurance that it will be able to do so. An inability to establish or maintain such relationships would potentially increase the Fund's counterparty credit risk, limit its operations and could require the Fund to cease investment operations or conduct a substantial portion of such

operations in the futures markets. Moreover, the counterparties with which the Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to the Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

### **Collateral Management Risk**

Where the Fund enters into OTC financial derivative and/or efficient portfolio management techniques, collateral may be used to reduce counterparty risk exposure. Collateral will be treated in accordance with the Fund's collateral policy as set out in Section 3.7, "Collateral Management and Policy".

The exchange of collateral involves certain risks, including operational risk related to the actual exchange, transfer and booking of collateral. Collateral received under a title transfer arrangement will be held by the Depositary in accordance with the usual terms and provisions of the Depositary Agreement. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral. The use of such third party custodians may involve additional operational and clearing and settlement risk, as well as counterparty risk.

Collateral received will consist of either cash or transferable securities that meet the criteria set out in the Fund's collateral policy set forth in Section 3.7, "Collateral Management and Policy". Transferable securities received as collateral are subject to market risk. The Management company aims to manage this risk by applying appropriate haircuts, valuing collateral on a daily basis, and accepting only high quality collateral. However, some residual market risk must be expected to remain.

Non-cash collateral must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. However, in adverse market circumstances, the market for certain types of transferable securities may be illiquid and, in extreme cases, may cease to exist. Any non-cash collateral therefore involves a certain degree of liquidity risk.

Any collateral received will not be sold, re-invested or pledged. Accordingly, no risk is expected to arise from the reuse of collateral. Risks linked to the management of collateral will be identified, managed and mitigated in accordance with the Management Company's risk management process concerning the Fund.

### **Risks related to investments in underlying funds**

The managers of the underlying funds may invest in and actively trade instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leverage factors associated with trading in such markets and instruments, and the potential exposure to loss resulting from counterparty defaults. The Management Company / investment manager (if any) may not always be provided with detailed information regarding all of the investments made by underlying funds because certain of this information may be considered proprietary information by the managers of those underlying funds. This potential lack of access to information may make it more difficult for the investment manager to select, allocate among and evaluate individual fund managers.

Despite the strict due diligence procedure which will be used to select and monitor the individual underlying funds in which the assets of the Fund will be invested, there can be no assurance that the past performance information will be indicative of how such investments will perform (either in terms of profitability or correlation) in the future.

Potential investors must be aware that underlying funds will be subject to management fees and other expenses. As a result, investors may suffer management fees and expenses incurred both at the level of the Fund and the underlying funds in which the Sub-Fund invests. There may also be a duplication of

subscription and/or redemption fees.

### **Foreign exchange Risk**

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

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. Currency hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

### **Risks related to investments in commodities (including commodities indices)**

Commodities, to which some of the Sub-Funds may be exposed, are assets that have tangible properties, such as oil, metals, and agricultural products. An exposure to commodities may not be suitable for all investors. Commodities and commodity-linked securities and derivatives may be subject to heightened risks and may be affected by overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, and international economic, regulatory, and political developments, as well as the trading activity of speculators and arbitrageurs in the underlying. The commodity markets (including the markets for commodity-linked securities and derivatives) may be subject to a degree of volatility that may prove higher than in equity or bond markets due to their sensitivity to the development of commodity prices and their substantial exposure to emerging markets.

### **Gold and Precious Metals**

Where specified in the Specific information in Part II of this Prospectus, certain sub-funds may invest in instruments providing exposure to the gold or other precious metal (e.g. silver, platinum or palladium) market, including securities or certificates linked to, or backed by the performance of precious metals (e.g. ETCs), mining stocks companies or financial derivatives instrument with an indirect exposure to precious metals.

In particular, securities linked or backed to the value of gold or other precious metals may be volatile, fluctuating substantially over short periods of time, which may directly impact the value of the investment. In times of stable economic growth, traditional equity and debt investments could offer greater appreciation potential and the prices of gold and other precious metals may be adversely affected. The prices of gold and other precious metals are affected by such factors as: (1) how much of the worldwide supply is held by large holders, such as governmental bodies and central banks; (2) unpredictable monetary policies and economic and political conditions in countries throughout the world; (3) supply and demand for gold bullion as an investment, including bars, coins or gold-backed financial instruments such as exchange-traded funds; (4) demand for gold jewellery; and (5) government policies meant to influence demand for gold and other precious metals.

Besides, the prices of gold and precious metals operation or mining companies are directly affected by:

- declines in the prices of gold and precious metals;

- rising capital costs as well as labour and other costs in mining and production;
- adverse currency fluctuations, economic events or natural disasters or other events with a significant economic effect in the countries where these companies operate;
- labour disruptions;
- operational issues and failures;
- access to reliable energy and equipment supplies; and
- changes in laws relating to mining, production, or sales. These factors may result in deviations between the prices of the underlying metals and the securities of the operation companies in which the sub-fund invests.

In addition, some gold and precious metals mining companies have hedged, to varying degrees, their exposure to falls in the prices of gold or precious metals by selling forward future production, which could limit the company's benefit from future rises in the prices of gold or precious metals or increase the risk that the company could fail to meet its contractual obligations. With respect to mining companies, mining operations have varying expected life spans and companies that have mines with a short expected life span may experience more stock price volatility.

Investments in derivatives related to precious metals can also be highly volatile: market prices of commodities derivatives may fluctuate rapidly. The price of those commodities derivatives may fluctuate based on numerous factors, including changes in supply and demand (whether actual or perceived, anticipated or unanticipated) and other trading considerations generally or in the relevant precious metals, domestic and international political, monetary and economic events and policies, and other public or private policies, actions or inactions, natural events such as weather conditions, agricultural factors, diseases, or technological developments. The current or "spot" prices of precious metals, may also affect the prices of futures contracts in respect of the relevant precious metal.

#### **Risks and conditions related to investments in indices**

Where the Fund and any of its Sub-funds is exposed to indices, in accordance with its investment policy, the relevant indices will at all the time comply with all the diversification and eligibility criteria set out in the 2010 Law and related regulations, in particular the article 9 of the Grand Ducal Regulation of February 8, 2008 and the CSSF Circular 14/592. The rebalancing frequency may vary per index and could generally be weekly, monthly, quarterly or annually. The rebalancing of the indices will not involve costs which could have an impact on the performance of the relevant Sub-fund nor on its investment objective.

#### **Indices used as benchmarks Risk**

Regulation (EU) 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**") came into full effect on 1 January 2018. The Benchmark Regulation introduces a new requirement for all benchmark administrators providing indices which are used or intended to be used as benchmarks in the EU to be authorized or registered by the competent authority. In respect of the Sub-Funds, the Benchmark Regulation prohibits the use of benchmarks unless they are produced by an EU administrator authorized or registered by the ESMA or are non-EU benchmarks that are included in ESMA's public register under the Benchmark Regulation's third country regime.

The Fund and any of its Sub-Funds may make use of benchmarks within the meaning of Benchmark Regulation.

If a Sub-Fund makes use of a benchmark, the relevant Sub-Fund Supplement will include the information required by the Benchmark Regulation, specifically whether the benchmark is provided by an administrator which is included in the register of administrators and benchmarks.

Furthermore, if a Sub-Fund makes use of a benchmark the Management Company (with the assistance of the Investment Manager if any) produces and maintains a written plan setting out the actions that will be taken in the event of the benchmarks materially changing or ceasing to be provided (the “Contingency Plan”). The Contingency Plan will be available to investors on request and free of charges at the registered office of the Management Company.

### **Sustainability risk**

A sustainability risk means an environmental, social or governance event or condition (ESG) that, if it occurs, could cause a material negative impact on the value of the investment. The consideration of sustainability factors in investment decision-making can realise benefits beyond financial markets: It can increase the resilience of the real economy and the stability of the financial system, and in so doing, it can ultimately impact on the risk-return of financial product. The Management Company defines responsible investing as the integration of ESG considerations into the investment process and believes that a company will not fulfil its objective of long-term sustainable growth if it carries out unsustainable ESG practices.

Unsustainable ESG practices can lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment and thus may materially impact its market price or liquidity. However, it should be noted that the assessment of sustainability risks is complex and can be based on ESG data which could be difficult to obtain or incomplete, estimated, out of date or otherwise materially inaccurate. Even when such data is identified and obtained, as with any data, there can be no guarantee that ESG data will be correctly assessed. In addition, the circumstances in which the assessment of a sustainability risk is made may change over time depending on the availability of relevant data or other information which may become available.

### **Sustainable Finance Disclosure Regulation (“SFDR”)**

In line with the European Union and its Member States’ commitment to the implementation of the UN’s 2030 Agenda for Sustainable Development, sustainability risks and ESG considerations have been integrated by the Management Company into the Sub-funds’ investment decision-making processes. For details of the SFDR classification of the Sub-Funds, please refer to the relevant Supplement.

## 5. MANAGEMENT AND ADMINISTRATION

### 5.1. BOARD OF DIRECTORS

The Board of Directors is responsible for the overall management and control of the Fund in accordance with the Articles. The Board of Directors shall have the power to determine the corporate and investment objectives and strategies of the Fund and each Sub-Fund thereof, as well as the course of conduct of the management and business affairs of the Fund. It shall be further responsible for oversight of the administration and operations of each Sub-Fund.

### 5.2. MANAGEMENT COMPANY

Pursuant to the Management Company Agreement dated 27 December 2022, the Fund has appointed Altex Asset Management S.G.I.I.C, S.A. as its designated Management Company responsible, subject to the overall supervision of the Board of Directors, for the provision of investment management services, administrative services, and marketing services to the Fund (The “**Services**”).

The Management Company Agreement has been concluded for an unlimited period and can be terminated by either party upon giving to the other party not less than 3 months’ prior notice in accordance with the terms of the Management Company Agreement.

The Management Company was incorporated in the form of a public limited liability company (*sociedad anónima unipersonal*) on 24 November 2006 for an unlimited duration and is organized under the laws of Spain. The Management Company has its registered office at Paseo de la Castellana, 101, 28046 Madrid and was authorised by the Spanish Regulatory Authority (*Comisión Nacional del Mercado de Valores* or CNMV), under registration number 215.

The Management Company complies with the conditions set out in Directive 2009/65/EC and has been granted permission to operate as a Management Company for Luxembourg UCITS on 20 October 2017 and is therefore authorised as a management company to manage UCITS governed by Part I of the 2010 Law under the freedom to provide services in the European Union.

The object of the Management Company is the management of UCITS authorized under Directive 2009/65/EC, as well as the management of other collective investment undertakings which are not covered by the above mentioned Directive and for which the Management Company is subject to prudential supervision. Additionally, the Management Company is licensed to provide the service of: a) management of portfolios of investments, including those owned by pension funds, in accordance with mandates given by investors on a discretionary, client-by-client basis, where such portfolios include one or more of the instruments listed in Annex I, Section C of Directive 2014/65/EU and b) investment advice concerning one or more of the instruments listed in Annex I, Section C of Directive 2014/65/EU.

In the provision of the Services, the Management Company is authorised, in order to conduct its business efficiently, to delegate with the consent of the Fund and the Luxembourg supervisory authority, under its responsibility and control, part or all of its functions and duties to any third party.

At the present time the administration is delegated, and the Management Company is performing the investment management service and distribution.

The Management Company has in place a remuneration policy in line with the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 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.

The remuneration policy sets out principles applicable to the remunerations of the senior management, all staff members having a material impact on the risk profile of the financial undertakings as well as all staff members carrying out independent control functions.

In particular, the remuneration policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of the activities of the Management Company:

- it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or Articles of the Fund;
- if and to the extent applicable, the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the funds managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the funds and their investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- it is in line with the business strategy, objectives, values and interests of the Management Company and the Fund and of the Shareholders, and includes measures to avoid conflicts of interest;
- fixed and variable components of total remuneration are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The remuneration policy is determined and reviewed at least on annual basis.

The details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on <http://www.altex-am.com>, a paper copy will be made available free of charge upon request.

A complete list of the UCITS managed by the Management Company is available at: <http://www.altex-am.com>.

For the general services of Management Company (which do not include the fees in respect of services of central administration), the Management Company is entitled to a Management Company Fee amounting to a maximum of 0.15 % of the Fund's Net Asset Value per annum payable on a monthly basis.

### **5.3. INVESTMENT MANAGER**

For the purpose of efficiency, the Management Company may delegate, under its responsibility and with the prior approval of the Board of Directors the portfolio management activities of the different Sub-Funds to one or more investment manager ("**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 Articles 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 fees and expenses to be paid to the Investment Manager (if any), will be detailed in the relevant Sub-Fund's Supplement.

In case a Sub-Fund's portfolio management activities are delegated or the Investment Manager has delegated his duties to one or more Sub-Investment Manager(s) the name(s) of the respective (Sub-) Investment Managers are indicated in the respective Sub-Fund's Supplement.

#### **5.4. INVESTMENT ADVISOR**

The Management Company or, as applicable, the Investment Manager, with the consent of the Fund, can use the services of one or more investment advisers for one or several Sub-Funds.

The investment advisers provide the Management Company/Investment Manager with investment recommendations taking into account the principles of the investment policy and investment limits described below for each Sub-Fund. However, the responsibility for all investment decisions remains with the Management Company/Investment Manager. The remuneration of the Investment Advisor is paid from the respective Sub-Fund's assets.

The remuneration allocated to the Investment Advisor(s) by the Management Company, or the Investment Manager shall be indicated in the relevant Sub-Fund's Supplement the rate and method of calculation of which being mentioned in the advisory service agreement (if any).

#### **5.5. DEPOSITARY AND PAYING AGENT**

Pursuant to a Depositary Agreement dated 27 December 2022, Quintet Private Bank (Europe) S.A., *société anonyme*, having its head office at 43 Boulevard Royal, L-2449 Luxembourg, has been appointed as depositary of all the Fund's assets.

The Depositary is a credit institution which was incorporated in Luxembourg on May 23rd, 1949, as a public limited liability company (*société anonyme*) in and under the laws of the Grand Duchy of Luxembourg, having its registered office at 43, Boulevard Royal, L-2449 Luxembourg and being registered with the Luxembourg Register of Commerce and Companies under number B 6395. As of 31 December 2020, its capital and reserves amounted to EUR 1.207.607.735,44. It is licensed to carry out banking activities under the terms of the Luxembourg law of April 5th, 1993 on the financial services sector, as amended.

As Depositary, Quintet Private Bank (Europe) S.A. will carry out its functions and responsibilities in accordance with the provisions of the 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 and the provisions of the 2010 Law.

The Depositary will further, in accordance with the UCITS Directive and the 2010 Law:

- (a) ensure that the sale, issue, repurchase, redemption and cancellation of Shares of the Fund

- are carried out in accordance with the applicable Luxembourg law and the Articles;
- (b) ensure that the value of the Shares of the Fund is calculated in accordance with the applicable Luxembourg law and the Articles;
  - (c) carry out the instructions of the Management Company or the Fund, unless they conflict with the applicable Luxembourg law, or with the Articles;
  - (d) ensure that in transactions involving the assets of the Fund any consideration is remitted to the Company within the usual time limits;
  - (e) ensure that the income of the Fund is applied in accordance with the applicable Luxembourg law and the Articles.

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 Shares 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:
  - 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;
  - 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:
  - 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;
  - 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 2010 Law.

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 2010 Law are fulfilled. When selecting and appointing a delegate, the Depositary shall exercise all due skill, care and diligence as required by the 2010 Law 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.lu/en-lu/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 the investors of the Fund.

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 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.

***Other UCITS***

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 with whom the custody of financial instruments are 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 fees for Quintet Private Bank (Europe) S.A.'s services are charged, in accordance with usual depositary bank fees. The Depositary will be entitled to a fee max. 0.055% and minimum of 0.02% per Sub-Fund.

In addition, the Depositary is entitled to be reimbursed by the Fund its reasonable out-of-pocket expenses and the fees charged to it by any correspondent bank or other agent (including any clearing system).

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) S.A. also acts as Paying Agent. As principal paying agent Quintet Private Bank (Europe) S.A. will be responsible for distributing income and dividends, if applicable, to the Shareholders.

## **5.6. DOMICILIARY, REGISTRAR AND TRANSFER, AND ADMINISTRATIVE AGENT**

Pursuant to the Central Administration Agreement with effect as of 17 June 2024, ADEPA Asset Management S.A. ("**Adepa**") has been appointed as Domiciliary Agent and Administrative, Registrar and Transfer Agent of the Fund. This agreement is made for an unlimited duration and may be terminated by either party upon ninety (90) calendar days' written notice in accordance with the provisions of the agreements.

In its capacity of Administrative Agent, Adepa will carry out all administrative duties related to the administration of the Fund, including the calculation of the Net Asset Value of the Shares and the provision of accounting services to the Fund. As Registrar and Transfer Agent, Adepa will be responsible notably for the maintenance of the Shareholders' register and for dealing with subscriptions, redemptions, conversions or transfer requests of the Shares.

For the performance of its services as Domiciliary Agent Adepa, receives an annual flat fee up to 4,000€ for the Umbrella Fund (one compartment) and up to 3.000€ for each additional compartment.

Adepa shall receive from the Fund, for the performance of its functions of Administrative Agent a maximum fee, payable monthly, up to 0.040% p.a. of the average Net Assets Value of the Fund of the preceding month with a minimum up to 0.020% per annum.

With respect to the registrar and transfer agency services, Adepa is entitled to a fee up to 3,000€ per year and Sub-Fund.

#### **5.7. DISTRIBUTOR(S) AND NOMINEES**

The Management Company may decide to delegate the marketing, distribution and promotion of the Fund in different countries worldwide, with the exception of such countries where such activity is prohibited and may appoint distributors and nominees.

Subject to the prior written approval of the Management Company, the distributors may decide to appoint sub-distributors for the purpose of assisting in the distribution of the Shares, provided that any sub-distributor

- (i) is authorised by the relevant local authorities to provide these types of services, and
- (ii) has entered into an agreement with the distributor, the terms of which shall be substantially the same as in the distribution agreements appointing the relevant distributor.

In accordance with these distribution and nominee agreements, the name of the nominee, rather than that of the clients investing in the Company, shall be recorded in the registrar of Shareholders. The terms and conditions of the distribution and nominee agreements shall stipulate, among others, that a client who has invested in the Fund via a nominee may request at any time that the Shares be re-registered under his/her own name. In this case the client's name shall be entered in the registrar of Shareholders as soon as the Fund receives the transfer instructions from the nominee.

Prospective shareholders may subscribe for Shares by applying directly to the Fund, without having to act through one of the nominees/distributors.

The Fund and the distributors will ensure that they fulfil all obligations imposed on them by laws, regulations and directives on combating money laundering and terrorism financing and take steps, to the extent possible, that these obligations are adhered to.

For their distribution services, the distributors (if any) shall be entitled to receive a remuneration, as further detailed for each Sub-Fund in the relevant Sub-Fund Supplement or in the relevant service agreement.

#### **5.8. AUDITORS**

PricewaterhouseCoopers, Société cooperative has been appointed as Auditor of the Fund in charge of the auditing of the Fund's accounts and annual financial statements.

## **6. THE SHARES**

### **6.1. GENERAL DESCRIPTION OF THE SHARES**

Shares of any Sub-Fund or Class of Shares will be issued in registered form only.

No certificates will be issued and a confirmation in writing of the shareholding shall be issued instead. Fractions of registered Shares can be issued up to three decimals.

Upon issue, Shares are only entitled to participate equally in the profits, dividends and liquidation results of the relevant Sub-Fund or Class of Shares to which they pertain.

The Shares do not carry any preferential or pre-emptive rights and each whole Share is entitled to one vote at all general meetings of Shareholders. The Shares are issued without par value and must be fully paid up.

Within each Sub-Fund the Board of Directors may establish different Classes of Shares whose characteristics may vary, corresponding, for instance, (i) to a specific distribution policy, giving a right to distributions (“Distribution Shares”) or not giving a right to distributions (“Capitalisation Shares”), and/or (ii) to a specific structure for issue or redemption costs, a specific structure for fees and commissions, costs payable to distributors or to the Fund, and/or (iii) to a specific structure for management costs or those for investment advice, and/or (iv) to a particular reference currency as well as a hedge policy or not regarding exchange risks; and/or (v) to any other specific feature applicable to a Class of Shares.

#### **Currency-hedged Classes of Shares**

Currency-hedged Classes of Share aim to hedge the value of the net assets of the Class of share in question compared to the Sub-Fund’s reference currency.

These hedges are generally implemented using listed financial derivatives instruments, diverse techniques which may include forward exchange contracts and over-the-counter instruments.

The method used may not cover the whole currency risk. There is also no guarantee that it will be 100% effective. Investors in currency-hedged Classes of Shares may be exposed to currencies other than that in which the Class of Shares in which they are invested is denominated.

The Classes of Shares available for each Sub-Fund and their characteristics are more fully described in the Sub-Funds’ Supplements in Part II of the present Prospectus.

#### **Warning if using a nominee**

The distributor and his distribution agents may act as nominees or appoint a nominee for investors subscribing to Shares through the distribution network. Investors may in addition mandate any other financial intermediary, such as a credit institution or a clearing house for the same ends.

These nominees may also send orders for subscriptions, conversions, and redemptions of Shares in their name but on behalf of the investors and request that they are listed in the Fund’s share register in their name. The nominees keep their own registers and provide investors with customised information on their holding in the Fund. Unless forbidden by law or local practice, investors may always invest directly in the Fund without going through a nominee.

The Fund draws the investors’ attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund notably the right to participate in general Shareholders’ meetings if the investor is registered himself and in his own name in the Shares’ 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 Shareholder's rights directly against the Fund. Investors are advised to take advice on their rights.

When an investor subscribes to Shares in the Fund through a financial agent, he may also have to bear the costs associated with the financial agent's activity in the jurisdiction in which the offer is made.

## **6.2. ANTI MONEY-LAUNDERING AND TERRORISM FINANCING**

Pursuant to international rules and Luxembourg laws and regulations including but not limited to, the law of November 12, 2004 on the fight against money laundering and financing of terrorism, as amended, and circulars of the CSSF, certain obligations (including but not limited to detailed verification of the identity of investors and the origin of the amounts transferred) have been imposed on all professionals of the financial sector to prevent the use of UCIs for money laundering or terrorism financing purposes. Thus, the Registrar and Transfer Agent (appointed and acting for the Management Company) must in principle ascertain the identity of the subscriber of Shares in accordance with Luxembourg laws and regulations and 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 Management Company (and the nominee or Registrar or Transfer Agent acting for the Management Company) may refuse the subscription request and the related amounts, the transfer of Shares, all rights associated with the Shares (access to general meetings, voting rights and dividends) or block the redemption of the subscribed Shares. Neither the Management Company nor the Registrar and Transfer Agent shall be held liable for delays or failure to process deals should the documentation required was incomplete or missing.

Shareholders 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.

## **6.3. LATE TRADING AND MARKET TIMING**

Shares are not offered, nor is the Fund managed or intended to serve as a vehicle for market timing or late trading or other excessive trading practices as such practices could result in actual or potential harm to the Shareholders. Accordingly, the Fund may refuse any subscription, conversion, or redemption of Shares, in full or in part from Shareholders suspected of such practices and take any other decision as it may think necessary to protect the interests of other Shareholders.

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts Shares of the Fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the NAV of the Fund.

Late trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant Valuation Day and the execution of such order at the price based on the NAV applicable to such same Valuation Day.

#### **6.4. LISTING ON STOCK EXCHANGES**

A Sub-Fund or Class of Shares may be listed on the Luxembourg stock exchange or a foreign stock exchange. In such case, it will be disclosed in the specific Sub-Fund Supplement in Part II.

#### **6.5. SUBSCRIPTIONS OF SHARES**

For each Class of Shares (except for Shares of Altex Momentum - Class C), the Board of Directors is authorised to issue an unlimited number of Shares at any time (unless the calculation of the NAV has been suspended).

Any subscription request shall be irrevocable.

##### **Initial Subscriptions**

The Board of Directors decides the dates of the initial subscription period of the Sub-Funds and Classes of Shares as further described in the relevant Sub-Funds' Supplements in Part II of the Prospectus. The Prospectus will be updated accordingly for each Sub-Fund and Class of Shares.

The Board of Directors may decide to terminate the end of the initial subscription period of any offered Shares.

The minimum subscription for an investor within the initial subscription period is set forth in Part II for each Sub-Fund and Class of Shares.

The subscription amounts have to be paid at the latest on the last Business Day of the subscription period.

##### **Subsequent subscriptions**

Applications for Shares may be submitted on any business day as specified in the relevant Sub-Fund Supplement in Part II of the Prospectus to the Registrar and Transfer Agent offices or to the Distributors or other establishments designated by the Fund, where Prospectuses containing application forms are available.

Whenever the Fund offers Shares for subscription, the price of the Shares shall be the NAV for the relevant Sub-Fund or Class of Shares plus such subscription fee (if any) as mentioned in the relevant Sub-Fund Supplement in Part II of the Prospectus in favour of professional intermediaries, such price to be rounded to the nearest whole hundredth in the Reference Currency of the relevant Sub-Fund or Class of Shares.

Subsequent subscriptions are not restrained by any minimum subscription (or holding) unless otherwise specified in the relevant Sub-Fund's Supplement in Part II of the Prospectus.

The applicable NAV is determined according to the date and time of receipt by the Registrar Agent of the subscription application, as further detailed in the relevant Sub-Fund Supplement in Part II of the Prospectus.

Payment of the subscription price is made in favour of the relevant Sub-Fund or Class of Shares at the latest on the third Business Day following the applicable Valuation Day unless otherwise specified in the relevant Sub-Fund's Supplement in Part II of the Prospectus.

No Shares of any Sub-Fund or Class of Shares will be issued by the Fund during any period of suspension of the determination of the NAV of that Sub-Fund or Class of Shares. Notice of any such

suspension will be given to all persons who applied for a subscription and the applications during such a suspension may be withdrawn upon written notice received by the Fund prior to revocation of the suspension. Unless withdrawn, the applications shall be considered on the first Valuation Day following the revocation of the suspension.

The administrative costs and expenses incurred in connection with the subscription of Shares will be charged to the Shareholder.

The Fund may agree to issue Shares in consideration of a contribution in kind of transferable securities, for example in the case of a merger with an external sub-fund, to the extent that those transferable securities are in accordance with the objectives and the investment policy of the Sub-Fund concerned and in accordance with the provisions of the Luxembourg law, on the number of which one will note the obligation to submit a valuation report drawn up by the authorised Auditor approved by the Fund, which may be consulted at the Fund's registered office. All the costs associated with the contribution in kind of transferable securities shall be borne by the shareholders concerned.

The Fund may limit the distribution of a given Class of Share or Sub-Fund to specific countries. The Sub-Fund may also restrict the distribution of the Fund's Shares by distributors or agents who have not been approved.

The Fund may, in its absolute discretion, delay the acceptance of any subscription for Class of shares restricted to institutional investors until such date as it has received sufficient evidence of the qualification of the investor as an institutional investor.

The Fund reserves the right to reject any application in whole or in part in the light of market conditions prevailing on one or more stock exchanges or currency markets or for any other reasons, in which case the application moneys or the balance thereof will be returned forthwith to the investor.

Moreover, the Fund has the right to proceed at any time to the compulsory redemption of Shares in the Fund which have been wrongfully subscribed or held.

The Board of Directors may determine to restrict the purchase of Shares in certain Sub-Fund, including, without limitation, where any such Sub-Fund, and/or the investment strategy of any such Sub-Fund, has become "capacity constrained", when it is in the interests of such Sub-Fund and/ or its Shareholders to do so, including without limitation, when a Sub-Fund or the investment strategy of a Sub-Fund reaches a size that in the opinion of the Board of Directors could impact its ability to implement its investment strategy, find suitable investments or efficiently manage its existing investments.

When a Sub-Fund has reached its capacity limit, the Board of Directors is authorised from time to time to resolve to close the Sub-Fund or any Class of Shares to new subscriptions either for a specified period or until they otherwise determine in respect of all Shareholders. Should a Sub-Fund then fall beneath its capacity limit, including without limitation, as result of redemptions or market movements, the Board of Directors is permitted, in his absolute discretion, to re-open the Sub-Fund or any Class of on a temporary or permanent basis.

## **6.6. CONVERSION BETWEEN SUB-FUND OR CLASSES OF SHARES**

Shareholders may convert all or part of their Shares of a Sub-Fund or Class of Shares into Shares of another Sub-Fund or Class(es) of Shares by giving written notice to the Registrar and Transfer Agent (or to a Distributor or relevant intermediary), unless (i) there is a suspension of the determination of the NAV of the relevant Sub-Fund or Class of Shares or (ii) otherwise provided for in Part II of the present Prospectus.

Applications for conversion of shares may be submitted on any business day as specified in the relevant Sub-Fund Supplement in Part II of the present Prospectus.

No switching fee will be charged for the conversion unless otherwise specified in the relevant Sub-Fund's Supplement in Part II of the present Prospectus.

The number of Shares to be allocated following a conversion will be determined in accordance with the following formula:

$$\text{Number of Shares allocated} = (\text{number of Shares converted} \times \text{NAV of Shares converted} \times \text{exchange currency rate between the Reference Currency of Shares converted and Reference Currency of Shares allocated}) / \text{NAV of Shares allocated}.$$

The Fund is not obliged to execute conversion requests made on the same day representing more than 10% of the total value of the Shares in circulation of a Sub-Fund. The Board of Directors may agree that the payment of all or part of the conversion requests which exceed this percentage will be deferred, on a pro rata basis, to the next relevant Valuation Day. Deferred conversion requests must be treated as a priority. The net asset value applicable to these deferred conversion requests will be that of the Valuation Day applicable to the conversion request.

#### **6.7. REDEMPTION OF SHARES**

A Shareholder may at any time require the Fund to redeem all or part the Shares he holds in the Fund, except in case of any suspension of the determination of the NAV of the Sub-Fund or Class of Shares to be redeemed. Shares redeemed by the Fund become null and void.

Redemption requests may be submitted on any business day as specified in the relevant Sub-Fund Supplement in Part II of the present Prospectus to the Registrar and Transfer Agent offices or to the Distributors or other establishments designated by the Fund.

Applications should indicate the exact identity and exact address of the person applying for the redemption, the number of Shares to be redeemed, the Sub-Fund and Class of Shares concerned.

Redemption applications registered after the deadline shall automatically be considered as redemption applications received for the next following business day.

Shares may be redeemed at the Net Asset Value per Share of the relevant Class of Shares within the relevant Sub-Fund on each relevant Valuation Day.

No redemption commission will be charged unless otherwise stated in the relevant Sub-Funds' Supplement.

Shareholders will be repaid in the Reference Currency of the relevant Sub-Fund or Class of Shares. However, if a Shareholder requests to be repaid in any other freely convertible currency the necessary foreign exchange transaction will be arranged by the Registrar and Transfer Agent on behalf of and at the sole expense of the Shareholder, without any liability for the Registrar and Transfer Agent or the Fund.

Payment for Shares redeemed will normally be made not later than three (3) Business Days following the applicable Valuation Day unless otherwise stated in the Sub-Funds' Supplements. Payment will be made at the sole expense of the Shareholder, by transfer of funds to the account of the Shareholder.

When the liquidity of any particular Sub-Fund is not sufficient to enable the payment, such payment will

be made as soon as reasonably practicable thereafter.

The Fund is not obliged to execute redemption requests made on the same day representing more than 10% of the total value of the Shares in circulation of a Sub-Fund. The Board of Directors may agree that the payment of all or part of the redemption requests which exceed this percentage will be deferred, on a pro rata basis, to the next relevant Valuation Day. Deferred redemption requests must be treated as a priority. The net asset value applicable to these deferred redemption requests will be that of the Valuation Day applicable to the redemption request.

The Fund may, subject to the express agreement of the Shareholder in question, agree to deliver assets in response to a request for a redemption in kind, while observing the stipulations of Luxembourg law and in particular the obligation to provide an assessment report of the Fund's auditors. The value of these assets shall be determined in accordance with the principles for calculating the net asset value. The Board of Directors must ensure that the withdrawal of assets does not prejudice the remaining Shareholders. Unless otherwise decided by the Board of Directors, the costs incurred by this redemption in kind shall be borne by the Shareholders concerned.

The right to redeem will be suspended during any period in which the calculation of the net asset value per share has been suspended. Each Shareholder applying for redemption will be advised of such suspension and all applications thus pending may be withdrawn upon written notice to the Fund, received before the suspension's revocation. In the absence of such application, the Shares concerned will be redeemed the first Valuation Day following the end of the suspension.

## **7. DIVIDEND POLICY**

Further to the proposition of the Board of Directors, the General Meeting of Shareholders shall decide on the use to be made of the annual net profits as shown in the accounts as at the end of the financial year.

The General Meeting reserves the right to distribute the net assets of each of the Fund's Sub-Funds to such an extent that only the minimum legal capital remains. The nature of the distribution (net investment income or capital) shall be recorded in the Fund's financial statements.

Any decision of the General Meeting of Shareholders to distribute dividends to the Shareholders of a particular Sub-Fund or Class of shares of the Fund requires the prior approval of the Shareholders of that Sub-Fund or Class of Shares, voting at the same majority requirement as indicated in the Articles of the Fund.

Dividends and interim dividends attributed to a distributing Class of Shares shall be paid on the date and at the place designated by the Board of Directors.

Dividends and interim dividends to be paid out and which fail to be collected by the Shareholders entitled thereto within five years from the payment date shall lapse and revert to the concerned Sub-Fund.

No interest shall be paid on unclaimed dividends or interim dividends that are held by the Fund, up to the expiry date, in the name of the Shareholders to whom these amounts are due.

Income distribution payments are due only to the extent that the applicable foreign exchange regulations permit such distribution in the beneficiary's country of residence.

Although the Articles allow the Board of Directors to propose the payment of a dividend at the annual general meeting of Shareholders, the Board of Directors does not intend to propose any distribution of dividend to the Shareholders. Only capitalisation Shares are issued at the date of the present Prospectus.

## **8. FINANCIAL YEAR - MEETINGS - REPORTS**

### **8.1. FINANCIAL YEAR**

The financial year of the Fund starts on 1 January and ends on 31 December of the same year.

### **8.2. MEETINGS**

The annual general meeting of Shareholders of the Fund will be held on the date and time and location as indicated by the Board of Directors of the Fund in the convening notice, within six months following the end of the relevant financial year as determined by the Articles.

The Board of Directors may convene any other ordinary or extraordinary general meeting of Shareholders.

Notices of all general meetings will be made in accordance with the 1915 Law and the Articles. Such notices will set forth the agenda, specify the date, time and place of the meeting, the conditions of admission and the requirements with regard to the necessary quorum and majorities at the meeting.

Notices shall be published on the *Recueil Électronique des Sociétés et Associations* and in such newspapers as the Board of Directors may decide (to the extent required by Luxembourg law).

Under the conditions set forth in Luxembourg laws and regulations, the notice of any general meeting of Shareholders may provide that the quorum and the majority requirements applicable for this general meeting will be determined according to the number of Shares issued and outstanding at a certain date and time preceding the general meeting, and specified in the convening notice (the "Record Date"), whereas the right of a Shareholder to attend a general meeting of Shareholders and to exercise the voting rights attached to his Shares will be determined by reference to the Shares held by this Shareholder as at the Record Date.

Every Shareholder may take part in General Meetings of Shareholders appointing another person in writing as proxy or any other electronic means capable of evidencing such proxy, who cannot themselves be a Shareholder. Such proxy shall be deemed valid, provided that it is not revoked, for any reconvened Shareholders' meeting.

Resolutions of Shareholders' meetings will apply to the Fund as a whole and to all Shareholders in the Fund, provided that any amendment affecting the rights of the holders of the Shares of any Sub-Fund or Class of Shares vis-à-vis those of any other Sub-Fund or Class are subject to the same quorum and majority requirements of those laid down in the 1915 Law and the Articles in respect of each such relevant Sub-Fund or Class of Shares.

Each Share of whatever Class of Shares and regardless of the NAV per Share within the Class of Shares is entitled to one vote.

### **8.3. REPORTS**

Annual audited reports of the Fund in respect of the preceding financial year of the Fund and unaudited semi-annual reports will be made available to Shareholders, free of charge, at the registered office of the Fund in Luxembourg or at other offices designated by the Fund.

The audited report and semi-annual reports will provide information on each Sub-Fund and Class of Shares and, on a consolidated basis, the Fund as a whole.

The Fund's accounts will be presented in EUR.

The financial statements of each Sub-Fund shall be drawn up in the reference currency of the respective Sub-Fund, while the consolidated accounts shall be expressed in EUR.

The annual reports shall be made available to Shareholders within four months after the end of the financial year. The semi-annual reports shall be published and made available to Shareholders within two months after the end of the semester.

## 9. TAXATION

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning, and disposing of Shares. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell Shares. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not allow any conclusion to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based on the Luxembourg law and regulations in effect and as interpreted by the Luxembourg tax authorities on the date of the Prospectus. These laws and interpretations are subject to change that may occur after such date, even with retroactive or retrospective effect.

The tax consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile, or incorporation and with its circumstances. Before an investment in the Fund, investors should inform themselves and if necessary, consult their tax adviser on the possible tax consequences of subscribing, holding, transferring, and redeeming Shares.

### 9.1. THE FUND

The Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax.

However, the Fund is liable in Luxembourg to a *taxe d'abonnement* of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the basis of the net asset value of the Fund at the end of the relevant quarter.

A reduced *taxe d'abonnement* rate of 0.01% per annum will be applicable to Classes the Shares of which are exclusively held by institutional investors. To the extent that the assets of the Fund are invested in investment funds which are established in Luxembourg, no such tax is payable.

No stamp duty or other tax will be payable in Luxembourg on the issue of Shares in the Fund.

No Luxembourg capital gains tax is payable on the realised or unrealised capital appreciation of the assets of the Fund.

Investment income received by the Fund may be liable to withholding taxes in the country of origin concerned at varying rates; such withholding taxes are not recoverable.

The above statements are based upon the law in force at the date hereof and may be subject to modification.

### 9.2. SHAREHOLDERS

#### 9.2.1. TAXATION OF RESIDENT SHAREHOLDERS

##### **Luxembourg resident individuals**

Any dividends and other payments derived from the Shares by resident individual Shareholders, who act in the course of either their private wealth or their professional/business activity, are subject to income tax at progressive ordinary rates. They do not qualify for the exemption of the half amount.

A gain realized upon the sale, disposal, or redemption of Shares by Luxembourg resident individual Shareholders, acting in the course of the management of their private wealth, is not subject to Luxembourg income tax, provided this sale, disposal or redemption took place more than six (6) months after the Shares were acquired and provided the Shares do not represent a substantial shareholding. A shareholding is considered as substantial shareholding in limited cases, in particular if (i) the Shareholder has held, either alone or together with his/her spouse or registered partner and/or his/her minor children, either directly or indirectly, at any time within the five (5) years preceding the realization of the gain, more than ten percent (10%) of the share capital of the Fund or (ii) the taxpayer acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five (5)-year period). Capital gains realized on a substantial participation more than six (6) months after the acquisition thereof are subject to income tax according to the half-global rate method, (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). If the Shares are disposed within a period of less than six (6) months after the acquisition thereof, or if their disposal precedes their acquisition, capital gains are subject to income tax at ordinary rates. A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shareholding. The exchange of one Class of Shares against a different class of Shares of the same Fund generally qualifies as a disposal.

Capital gains realized on the disposal of the Shares by resident individual Shareholders, who act in the course of the management of their professional/business activity, are subject to income tax at progressive ordinary rates.

Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

#### **Luxembourg corporate residents**

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

#### **Luxembourg resident Shareholders benefiting from a special tax regime.**

Luxembourg resident Shareholders which are benefiting from a special tax regime, such as (i) undertakings for collective investment governed by the 2010 Law, (ii) specialized investment funds subject to the 2007 Law and, (iii) family wealth management companies governed by the amended law of 11 May 2007, are tax exempt entities in Luxembourg and are thus not subject to any Luxembourg income tax.

### **9.2.2. TAXATION OF NON-RESIDENT SHAREHOLDERS**

Shareholders, who are non-residents of Luxembourg and who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are generally not liable to any Luxembourg income tax on income received and capital gains realized upon the sale, disposal, or redemption of the Shares.

Non-resident corporate Shareholders which have a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes. The same inclusion applies to

individuals, acting in the course of the management of a professional or business undertaking, who have a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

### 9.3. FATCA

The Foreign Account Tax Compliance Act ("FATCA") is part of the Hiring Incentives to Restore Employment Act enacted on 18 March 2010 by the Congress of the United States of America ("USA"). The aim of FATCA is to avoid tax evasion of US persons and to encourage international tax cooperation between the USA and other countries. FATCA provisions impose on financial institutions outside USA ("Foreign Financial Institutions" or "FFI") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("IRS") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement.

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

The Fund intends to comply with the provisions of FATCA and notably the IGA, FATCA Law and related regulations and circulars. According to the IGA and the FATCA Law, the Fund may be required to collect information for the identification of its direct and indirect Shareholders that are US persons and shall report specific information in relation to their accounts to the Luxembourg tax authorities ("*Administration des Contributions Directes*"). The Luxembourg tax authorities will then exchange this specific information on reportable accounts on an automatic basis with the IRS.

To ensure the Fund's compliance with FATCA, the FATCA Law and the Luxembourg IGA in accordance with the foregoing, the Fund or the Management Company, in its capacity as the Company's Management Company, may:

- a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- b) report information concerning a Shareholder and his account holding in the Fund to the Luxembourg tax authorities if such account is deemed a FATCA reportable account under the FATCA Law and the Luxembourg IGA;
- c) report information to the Luxembourg tax authorities (*Administration des Contributions Directes*) concerning payments to Shareholders with FATCA status of a non-participating foreign financial institution;
- d) deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Fund in accordance with FATCA, the FATCA Law and the Luxembourg IGA; and
- e) divulge any such personal information to any immediate payor of certain U.S. source income as may be required for withholding and reporting to occur with respect to the payment of such income.

The Fund shall communicate any information to the Investor according to which (i) the Fund is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will only be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg

tax authorities (*Administration des Contributions Directes*); (iv) responding to FATCA-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the investor has a right of access to and rectification of the data communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*).

The Fund reserves the right to refuse any application for Shares if the information provided by a potential investor does not satisfy the requirements under FATCA, the FATCA Law and the IGA.

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

#### **9.4. COMMON REPORTING STANDARD**

The Fund may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the “**Standard**”) and its Common Reporting Standard (the “**CRS**”) as set out in the Luxembourg Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation law (the “**CRS Law**”).

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Fund will be required to annually report to the Luxembourg tax authority (the “**LTA**”) personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain investors as per the CRS Law (the “**Reportable Persons**”) and (ii) Controlling Persons of certain non-financial entities (“**NFEs**”) which are themselves Reportable Persons. This information, as exhaustively set out in Chapter 1 article 4 of the CRS Law (the “**Information**”), will include personal data related to the Reportable Persons.

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

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

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

Any investor that fails to comply with the Fund’s Information or documentation requests may be held liable for penalties imposed on the Fund and attributable to such investor’s failure to provide the Information or subject to disclosure of the Information by the Fund to the LTA. Such investor failure to comply with the Fund’s Information or documentation requests shall be an obstacle to the entry into or to the continuation of the relationship between the Fund and the investor.

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

## 10. CHARGES AND EXPENSES

The Fund will be responsible for the payment of the following costs:

- fees and out-of-pocket expenses of the Directors, the Management Company, the Investment Manager (if any), the Depositary (including fees and expenses of its correspondents abroad), the Domiciliary Agent, the Registrar and Transfer Agent, the Administrative Agent, the distributors (if any), the Auditor(s) of the Fund, and all other expenses incurred in the operation of the Fund. Fees and expenses to be borne by the Fund will include, without limitations the cost of printing and distributing the annual and semi-annual reports, any other periodical information, the KIIDs, Prospectus, and other reasonable promotional and marketing expenses;
- the costs and expenses incurred in connection with the formation of the Fund;
- legal expenses that may be incurred by the Fund or the Depositary while acting in the interest of the Shareholder;
- all brokerage fees and commissions arising from transactions involving securities and investment instruments in the portfolio;
- taxes and governmental duties and charges payable by the Fund;
- any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency;
- cost of translation of the Prospectus, KIIDs and other documents which may be required in various jurisdictions where the Fund is registered;
- the cost of publication of prices and its other operating expenses as well as the listing fees;
- out-of-pocket disbursements of the Management Company, Administrative Agent, the Registrar and Transfer Agent and the Depositary and of all other agents of the Fund;
- costs of computation and publication of the Net Asset Value per Share;
- certain fees / costs / expenses relating to investment research (if any);
- costs of preparation, publication and sending of notices for the attention of Shareholders;
- the fees, costs and expenses of local representatives appointed in accordance with the regulations of those authorities;
- the cost of amending statutory documents, the cost incurred to enable the Fund to conform with the legislation and official regulations or in order to obtain and to maintain a stock market listing for the Shares,

These costs and expenses shall be paid out of the assets of the different Sub-Funds pro rata to their net assets.

Fixed costs shall be divided between each Sub-Fund in proportion to the assets of that Sub-Fund in the Fund, and costs specific to each Sub-Fund or Class of Shares shall be taken from that Sub-Fund or Class of Shares which incurred them.

All general recurrent costs shall be deducted in the first instance from current income and, if that is insufficient, from realised capital gains.

Costs related to the establishment of any new Sub-Fund will be borne by such new Sub-Fund and amortised over a period of 1 (one) year from the date of establishment of such Sub-Fund or over any

other period as the Board of Directors may determine, with a maximum of 5 (five) years starting on the date of the Sub-Fund's establishment.

When a Sub-Fund is liquidated, any setting-up costs that have not yet been amortised will be charged to the Sub-Fund being liquidated.

## **11. NET ASSET VALUE**

### **11.1. DETERMINATION OF THE NAV**

The NAV of a per share of each Sub-Fund or Class of Shares of the Fund shall be expressed in the reference currency of the relevant Sub-Fund or Class of Share at a frequency to be defined by the Board of Directors, however at least twice a month.

The day on which the net asset value is determined is defined in the present Prospectus as being the "Valuation Day".

### **11.2. VALUATION OF THE ASSETS**

It is 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 of Directors may rely on one or more banks or brokers for confirmation of the price.

The net asset value of the Shares of each Sub-Fund or Class of Shares shall be defined by dividing the net assets of each Sub-Fund or Class of Shares by the total number of Shares of each Sub-Fund or Class of Shares in circulation. The net assets of each Sub-Fund or Class of Shares correspond to the difference between the assets and the liabilities of each of the Sub-Funds or Class of Shares.

The value of the assets of the Fund shall be determined as follows:

- a) 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 of Directors may consider appropriate in such a case to reflect the true value thereof;
- b) The value of all securities and/or money market instruments which are listed or traded on an official stock exchange or traded on any other regulated market will be valued on the basis of the last available closing prices on the Valuation Day or on the basis of the last available prices on the main market on which the investments of the Sub-Fund are principally traded. The Board of Directors will approve a provider of securities prices which will supply the above prices. If, in the opinion of the Board of Directors, such prices do not truly reflect the fair market value of the relevant securities, the value of such securities will be determined in good faith by the Board of Directors either by reference to any other publicly available source or by reference to such other sources as it deems in its discretion appropriate;
- c) Securities not listed or traded on a stock exchange or a regulated market will be valued on the basis of the probable sales price determined prudently and in good faith by the Board of Directors;
- d) The liquidating value of futures, forward or options contracts that are not traded on exchanges or on other organised markets shall be determined pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts.
- e) The liquidating value of futures, forward or options contracts traded on exchanges or on other organised markets shall be based upon the last available settlement prices of these contracts on exchanges and organised markets on which the particular futures, forward or options contracts are traded; provided that if a futures, forward or options contract could not be liquidated on such Valuation Day with respect to which a net asset value is being determined, then the basis for

determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable;

- f) Money market instruments with a residual maturity of less than 397 days are valued as follows (linear valuation): the determining rate for these investments will be gradually adapted during repayment starting from the net acquisition price and keeping the resulting return constant. If there are notable changes in market conditions, the basis for evaluating money market instruments will be adapted to new market returns;
- g) Swap transactions will be consistently valued based on a calculation of the net present value of their expected cash flows;
- h) All other securities and other permissible assets as well as any of the above mentioned assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair value, will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.;

The Board of Directors, at its discretion, may authorize the use of other methods of valuation if it considers that such methods would enable the fair value of any asset of the Fund to be determined more accurately.

All investments, cash balances and other assets of the Fund expressed in currencies other than the Reference Currency of the different Sub-Fund and Classes of Shares 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.

The NAV per Share of a Sub-Fund or Class of Shares as well as the issue and redemption prices of such Shares may be obtained at any time at the registered office of the Fund. In addition, the NAV per Share of each Class within each Sub-Fund will be published in any country where the Fund is registered for distribution according to the national legal requirements.

### **Swing Pricing Adjustment**

A Sub-Fund may suffer dilution of the Net Asset Value per Share due to investors buying or selling Shares in a Sub-Fund at a price that does not reflect the dealing and other costs that arise when security trades are undertaken by the Management Company/Investment Manager to accommodate cash inflows or outflows.

In order to enhance the protection of existing Shareholders, a policy has been adopted to allow price adjustments as part of the regular daily valuation process to mitigate the impact of dealing and other costs on occasions when these are deemed to be significant.

In order to achieve this, a swing pricing mechanism may be adopted to protect the interests of Shareholders of each Sub-Fund. If on any Valuation Day, the aggregate net transactions in Shares of a Sub-Fund exceed 10% of such Sub-Fund' net assets, the Net Asset Value per Share may be adjusted upwards or downwards to reflect net inflows and net outflows respectively. The threshold is set by the Board of Directors taking into account factors such as the prevailing market conditions, the estimated dilution costs and the size of the Sub-Funds, the application of which will be triggered mechanically and on a consistent basis. The adjustment will be upwards when the net aggregate transactions result in an increase of the number of Shares. The adjustment will be downwards when the net aggregate transactions result in a decrease of the number of Shares.

The adjusted asset value will be applicable to all transactions on a given Valuation Day. The swing pricing mechanism may be applied across all Sub-Funds. The extent of the price adjustment will be set by the Board of Directors to reflect dealing and other costs. Such adjustment may vary for the various

Sub-Funds and will not exceed 2% of the original Net Asset Value per Share. As such price adjustments will be in response to significant cash flows rather than normal volumes, it is not possible to accurately predict whether a price adjustment will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently such price adjustments will need to be made.

For instance, a swing price could be needed in extreme volatility market conditions, when the Management Company/Investment Manager may use volatility option strategies to hedge the portfolio. Such options may present a large spread gap between bid and offer prices before expiration. In order to protect the remaining Shareholders after an important net redemption, which can obligate the Sub-Fund to sell such options, penalizing it because of the mentioned gap, the Management Company/Investment Manager will need to apply the swing price mechanism.

Whenever the swing price mechanism is employed, Shareholders will be notified that this mechanism has been triggered, and it will be continuously monitored to ensure it is lifted as soon as it is no longer required, taking into account the best interests of Shareholders. Investors will also be informed of the lifting of the application of the swing price via separate notice.

The expenses of a Sub-Fund are calculated on the basis of the Net Asset Value of the relevant Sub-Fund and are not impacted by the swing pricing adjustment.

### **11.3. SUSPENSION OF THE DETERMINATION OF THE NAV**

The Fund may suspend the determination of the NAV of the Shares of any particular Sub-Fund or Class of Shares and the issue, redemption and the conversion of Shares from and to such Sub-Fund or Class of Shares during:

- a) any period when any of the principal stock exchanges or other markets on which any substantial portion of the investments of the Fund attributable to such a Sub-Fund or Class of Shares from time to time are quoted is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
- b) the existence of any state of affairs which in the opinion of the Board of Directors constitutes an emergency as a result of which disposals or valuation of assets owned by the Fund attributable to such a Sub-Fund or Class of Shares would be impracticable;
- c) any breakdown in the means of communication or computation normally employed in determining the price or value of any of the Fund's investments or the current price or values on any stock exchange or other market;
- d) any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange.
- e) when the information or calculation sources normally used to determine the value of the assets of the Fund are unavailable;
- f) when for any other reason the prices of any other investments of the Fund cannot promptly and accurately be ascertained (including where there is a suspension of the net asset value calculation by the investment(s) of the master fund in which the Fund invests) or when it is impossible to dispose of the assets of the Fund in the usual way and/or without materially prejudicing the interests of Shareholders;

- g) upon the publication of a notice convening a general meeting of Shareholders for the purpose of winding-up the Fund or informing them about the termination and liquidation of a Sub-Fund or Class of Shares, and more generally, during the process of liquidation of the Fund, a Sub-Fund or Class of Shares;
- h) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevents the Fund from being able to manage the assets of the Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;
- i) if the Board of Directors has determined that there has been a material change in the valuations of a substantial proportion of the investments of the Fund attributable to a particular Class of Shares in the preparation or use of a valuation or the carrying out of a later or subsequent valuation;
- j) when a Sub-Fund merges with another Sub-Fund within the Fund or with another undertaking for collective investment in transferable securities ("UCITS") (or a sub-fund of such UCITS) provided any such suspension is justified by the protection of the Shareholders;
- k) when a Sub-Fund or a Class of Shares is a feeder of another UCITS, if the net asset value calculation of such UCITS or sub-fund or class of shares of such UCITS is suspended;
- l) in circumstances whenever the Board of Directors considers it necessary in order to void irreversible negative effects on the Fund, the Sub-Fund or Class of Shares, in compliance with the principle of fair treatment of Shareholders in their best interests.

The suspension of the calculation of the net asset value and/or, where applicable, of the subscription, redemption and/or conversion of Shares, shall be notified to the Shareholders and relevant persons through all means reasonably available to the Fund. Shareholders shall be promptly notified of the termination of such suspension.

During any period of suspension applications for subscription, redemption or conversion of Shares may be revoked. In the absence of such a revocation, the issue redemption or conversion price shall be based on the first calculation of NAV made after the expiration of such periods of suspension.

## 12. LIQUIDATION AND MERGER

### 12.1. LIQUIDATION OF THE FUND

The Fund has been established for an unlimited period of time. However, the Fund may be dissolved and liquidated at any time by a resolution of the general meeting of Shareholders.

In the event of dissolution of the Fund, liquidation shall be carried out by one or several liquidators named by the meeting of Shareholders effecting such dissolution and which shall determine their powers and their compensation.

The net proceeds of liquidation corresponding to each Class of Shares shall be distributed by the liquidators to the Shareholders of each Sub-Fund in proportion to their holding of Shares in such a Sub-Fund.

If the Fund is voluntarily put into liquidation, its liquidation will be carried out in accordance with the provisions of the 1915 Law and the 2010 Law.

The Fund shall be dissolved in the following events:

- a) if the capital of the Fund falls below two thirds of the minimum capital, the Board of Directors must submit the question of the dissolution of the Fund to a general meeting for which no quorum is required and which shall decide by a simple majority of the represented votes at the meeting;
- b) if the capital of the Fund falls below one fourth of the minimum capital, the Board of Directors must submit the question of the dissolution of the Fund to a general meeting for which no quorum is required; dissolution may be resolved by Shareholders holding one fourth of the Shares at the meeting.
- c) by decision of the general meeting of Shareholders.

In case the liquidation proceeds of the Fund remain unclaimed at the close of liquidation, they will be kept in escrow with the “*Caisse de Consignations*” during the period prescribed by law and they shall be forfeited after such period.

### 12.2. LIQUIDATION OF A SUB-FUND OR CLASS OF SHARES

The Board of Directors may propose at any time the closing of one or more Sub-Fund or Class of Shares in the following events:

- a) if, for any reason, the value of the total net assets in any Sub-Fund or Class of Shares has not reached, or has decreased, to a minimum amount to be the minimum level for such Sub-Fund or Class of Shares to be operated in an economically efficient manner; or
- b) if the political and/or economic environment happens to change.
- c) in the framework of an economic rationalisation of the product.

If a Master Fund of which a Sub-Fund is the Feeder Sub-Fund is liquidated, terminated, or closed, the Sub-Fund may also be terminated unless the CSSF has approved investment in another Master Fund or as the case may be the amendment of the Fund's documentation so as to enable such Sub-Fund to convert into a Sub-Fund which is no longer a Feeder Fund.

A Feeder Sub-Fund may also be terminated in case the Master Fund in which it invests, merges with another fund or is divided into two or more funds unless the Fund decides that this Feeder Sub-Fund continues to be the feeder of this Master Fund or of another Master Fund resulting from the merger or division operations, subject to the provisions of this Prospectus, or the CSSF has approved investment in another Master Fund or as the case may be the amendment of the Fund's documentation so as to enable such Feeder Sub-Fund to convert into a Sub-Fund which is no longer a Feeder Sub-Fund.

This decision of liquidation should be notified to Shareholders according to the rules specified under Clause 13.2. The notice must specify the reasons and the terms of the liquidation procedure.

Unless otherwise agreed by the Board of Directors, the Fund may continue and redeem the Shares of the Sub-Fund(s) or Class(es) of Shares the liquidation of which has been decided until this decision of liquidation will be executed.

For these redemptions, the Fund must apply the NAV which takes into account the liquidation fees without any redemption fee.

The formation expenses must be completely written off as soon as a decision to liquidate has been taken.

Amounts unclaimed by Shareholders on the closure of liquidation of the concerned Sub-Fund(s) or Class(es) of Shares shall be deposited with the custodian for a period not exceeding nine (9) months from the date of closure. After such period the amounts will be deposited with the "*Caisse de Consignation*".

Within the scope of its legal duty to control the books, accounts and annual reports of the Fund, the auditor must verify the liquidation operations. At this occasion he has to verify more particularly the question of the liquidation cost of the Sub-Fund(s) or Class(es) of Shares.

The annual report of the financial year during which the decision to liquidate has been adopted should mention explicitly such decision and detail the progress of the liquidation procedure.

### **12.3. MERGER OF A SUB-FUND OR CLASS OF SHARES**

The Board of Directors may decide to merge one Sub-Fund or Class of Shares into another Sub-Fund or Class of Shares of the Fund under the following conditions:

- a) if, for any reason the value of the total net assets in any Sub-Fund or Class of Shares has not reached, or has decreased, to a minimum amount, to be the minimum level for such Sub-Fund or Class of Shares to be operated in an economically efficient manner; or
- b) if the political and/or economic environment happens to change.
- c) in the framework of an economic rationalisation of the product.

Such decisions will be published by the Fund, one (1) month prior to the effectiveness thereof in order to enable Shareholders to request redemption or conversion of their Shares, without any redemption fee, during a period of one (1) month, it being understood that the effective date of the merger takes place five (5) business days after the expiry of such notice period.

In the same circumstances as described in the previous paragraph and in the interest of the Shareholders, the merger of assets and liabilities attributable to a Sub-Fund, or Class of Shares to

another UCITS or to a sub-fund, or class of shares within such other UCITS (whether established in Luxembourg or another Member State and whether such UCITS is incorporated as a company or is a contractual type fund) may be decided by the Board of Directors of the Fund in accordance with the provisions of the 2010 Law. The Fund shall send a notice to the Shareholders of the relevant Sub-Fund in accordance with the provisions of the 2010 Law and applicable laws. Every Shareholder of the Sub-Fund, or Class of Shares concerned shall have the possibility to request the redemption or the conversion of his Shares without any cost (other than the cost of disinvestment) during a period of at least thirty (30) calendar days before the effective date of the merger, it being understood that the effective date of the merger takes place five (5) business days after the expiry of such notice period.

In case of a merger of a Sub-Fund, or Class of Shares where, as a result, the Fund ceases to exist, such merger needs to be decided by a general meeting.

The relevant provisions of the 2010 Law in case of merger of the master UCITS shall apply to any Sub-Fund qualifying as a feeder UCITS.

## 13. GENERAL INFORMATION

### 13.1. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents and information are available for inspection free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Fund:

- a) the Articles;
- b) the Prospectus, KIIDs and the application form
- c) the main agreements of the Fund (management company agreement; domiciliary agent agreement; registrar and transfer agency agreement; administrative agency agreement, depositary agreement; paying agency agreement; investment management agreement if any);
- d) the latest semi-annual and audited annual reports; and
- e) the prices for subscription/redemption and conversion of Shares.

A person having a complaint about the operation of the Fund may submit such complaint in writing to the Management Company at its registered office.

Copies of the Articles, the current Prospectus, the KIIDs, the latest financial reports, the details of the Management Company's complaint handling procedures as well as the voting rights policy, best execution policy, conflicts of interests' rules, etc. may be obtained free of charge during normal office hours at the registered office of the Management Company and on the following website: [www.altex-am.com](http://www.altex-am.com).

### 13.2. INFORMATION NOTICES

Information notices are sent by registered mail to Shareholders at their address mentioned in the register of Shares of the Fund. Shareholders may modify their address by sending a written notice to the Registrar Agent.

If required by applicable laws, any information intended for the Shareholders shall be published in the *Recueil Electronique des Sociétés et Associations* (RESA) in Luxembourg and may also be published in a Luxembourg newspaper or in any other newspapers as might be decided by the Board of Directors.

## PART II – SUB-FUNDS SUPPLEMENTS

### 1. ALTEX MOMENTUM

#### 1.1. INVESTMENT OBJECTIVE

The Sub-Fund aims to generate long term capital appreciation and preservation by investing in a portfolio of moderate to high return investment strategies, while seeking to contain volatility and risk with complementary currency and beta hedging strategies. However, there is no guarantee or representation that the objective of the Sub-Fund will be achieved.

#### 1.2. INVESTMENT POLICY

The assets of the Sub-Fund will be invested in a variety of different types of assets, including equity, fixed income, interest rates, or forex, or directly or indirectly through ETFs and derivatives instruments, as further defined under item 1.2.5 below.

To achieve this, the Sub-Fund diversifies across a narrow number of investment strategies (between 3 and 9, at the Management's Company's discretion) such as: Equity long/short (that seeks to take a long position in under-priced stocks while selling short overpriced shares), Equity Market neutral (to exploit differences in stock prices by being long and short an equal amount in closely related stocks), Equity Risk Arbitrage (dynamic management of factor investing), M&A Arbitrage (simultaneous purchase of stock in a company being acquired and the sale of stock of the acquirer), Currency Arbitrage and Carry trade (the low-yielding currency is used to fund the trade with a currency with higher interest rate), Global Macro and Managed Futures (Long and Short positions are expressed in interest rates, currencies, equities and volatility on both a Relative Value and a directional basis in countries around the world), slope carry (rates, volatility, dividends, equity; slope carry strategies seek to profit from different future prices at different maturities), as further described below, that need to meet the following criteria:

- Achieve superior risk adjusted long-term returns linked to one or several sources of alpha or risk/style factor exposure,
- Invest primarily in a selection of liquid, listed securities and/or derivatives with superior risk-adjusted long-term return attributes,
- Provide a measurable correlation to traditional markets to enable active risk management both at strategy and Sub-Fund level.

As the Sub-Fund is a multi-strategy multi-asset global portfolio its assets are invested without restrictions on economic sector or geographic origin, at the Management Company's discretion. The Management Company's macro view is also expressed through long and short positions in G-10 currencies on both a Relative Value and a directional basis. Non G-10 currencies will only be held if needed to purchase non G-10 assets in other strategies, but not as part of the FX active currency strategy. In addition, the Sub-Fund may not always be exposed to all the asset classes and strategies mentioned above, and investments will generally vary substantially over different market scenarios and cycles as the portfolio is highly adaptative to market structural changes and focuses on the best risk adjusted strategies and assets. Exposure to any asset class and/or strategy can be reduced to zero when the Management Company considers they do not offer an attractive risk return opportunity for investors.

### **1.2.1 Liquidity**

- (a) The overall weight of the liquidity component (money market instruments, short term commercial paper and bank deposits with an average rating of investment grade (i.e., above BBB- as determined by Standard & Poor's, Moody's or Fitch or any other recognised credit rating agency)) should be within the 0% - 50% range of the Sub-Fund's net assets.
- (b) Up to 20% of the Sub-Fund's net assets may be held in ancillary liquid assets, which will be limited to bank deposits at sight and cash, in accordance with point I.3 of Section 2.2 Investment restrictions of the Prospectus. However, if the Management Company considers that exceptional market conditions such as market crises, may entail a risk of permanent loss of capital, up to 100% of the Sub-Fund's net assets may be temporarily invested in such ancillary liquid assets for a strictly necessary period of time. Once the exceptional market conditions that triggered the use of this strategy are solved, the Management Company will take the necessary steps to adjust portfolio investments to the normal levels.

### **1.2.2 Fixed Income investment**

- (a) The overall weight of the fixed income component (both corporate and government debt) should be within the 0%-80% range of the Sub-Fund's net assets.
- (b) The overall weight of investment grade bonds should be within the 0%-80% range of the Sub-Fund's net assets.
- (c) The overall weight of non-investment grade should be within the 0%-30% range of the Sub-Fund's net assets.
- (d) No more than 10% of the Sub-Fund's net assets will be invested in non-rated fixed income securities.

### **1.2.3 Equity investment**

- (a) The Management Company will maintain a diversified portfolio of equity stocks, ETFs and derivatives.
- (b) The overall weight of the equity component should be within the 0% - 100% range of the Sub-Fund's net assets.
- (c) No more than 10% of the Sub-Fund's net assets will be invested in other UCIs.
- (d) No more than 10% of the Sub-Fund's net assets will be invested in a single Equity Fund for more than 3 months.
- (e) The overall weight in emerging market equities should be within the 0% - 40% range of the Sub-Fund's net assets.

### **1.2.4 Other asset classes investment**

- (a) Exposure to commodities / precious metals components (only through exchange traded commodities, "ETC" which will not use embedded derivatives, and which qualify as "transferable securities") may only be used as permitted by applicable regulation. Investment in physical commodities and precious metals will not be permitted. ETC will be employed for diversification purposes, and to mitigate systemic global currency shocks and inflation risks.

- (b) No more than 10% of the Sub-Fund's net assets will be invested in ETCs for the above mentioned purposes.
- (c) Investment in asset backed securities ("ABS"), mortgage backed securities ("MBS") and contingent convertible securities ("CoCos") is prohibited.
- (d) OTC derivatives may only be used for hedging purposes.
- (e) Up to a maximum 100% of the Sub-Fund's net assets may be invested in non-EUR currency assets: A minimum of 75% of the Sub-Fund's net assets will be invested in G-5 currencies at all times, and no more than 10% will be invested in non G-10 currencies.
- (f) In order to obtain exposure to emerging markets and markets in which there are high entry barriers to direct investments, the Sub-Fund may invest up to 40% of its assets in depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), which are instruments that represent shares in companies negotiated outside the regulated markets in which the depositary receipts are traded. Any investments in ADRs and GDRs will meet the criteria set out in the Grand Ducal regulation of 8 February 2008 and comply at any time with the eligibility criteria of the UCI law.

### 1.2.5 Derivative Instruments

The Sub-Fund may use financial derivative instruments to achieve its investment objective in accordance with the restrictions and limits set out in Section "Investment restrictions". Such instruments may also be used for the purpose of hedging. These instruments may include, but are not limited to:

Futures options	Interest rate options	ETF options	Currency options	Credit options	Options on indices	Swaptions
Currency swaps	Index credit default swap	Currency futures	Bond futures	Futures on indices	Forward rate agreements	Currency forward
Interest rate swaps	Futures on dividends	Options on dividends				

With respect to the derivatives on indices, the indices will comply with the criteria of the UCI law, the Grand Ducal regulation dated 8 February 2008 and the CSSF circular 14/592. Please refer to Section 3.3.2 Financial Derivatives Instruments in the general Part of the Prospectus for a full description of such indices.

### 1.3. INVESTMENT STRATEGY

The investment strategy followed by the Management Company seeks to obtain a stable risk-adjusted superior long-term capital appreciation. A balanced risk-return portfolio maximizes capital preservation and facilitates investors' access to liquidity at any point in time.

The Sub-Fund's investment strategy is implemented with a global and pragmatic approach to financial markets. History shows that no asset class, market, or economy in isolation can offer a consistent and stable return-risk ratio over time. It requires active multi-asset management and dynamic risk control to contain portfolio volatility while preserving an attractive return for investors.

Accordingly, the Sub-fund's strategies may comprise, among others:

1. Style factor-based strategies such as Quality, Growth, Momentum, Value, Minimum Volatility, Size and Carry.
2. Macro factor-based strategies such as Economic Growth, Real Rates, Inflation, Credit, Emerging Markets and Liquidity.
3. Total and Absolute Return strategies with the ability to generate alpha and/or superior risk-adjusted excess returns over average market strategies.
4. Dynamic global asset allocation strategies that provide superior risk-adjusted returns by actively managing exposure to financial assets over a full market cycle.
5. Advanced Risk Control strategies: global portfolio dynamic market beta and factor risk hedging and currency exposure. The weighting of this risk control overlay will vary at the Management Company's discretion.

In practice, the Sub-fund's investment multi-strategy dynamic allocation combines a two-fold investment approach:

- A disciplined and structured bottom-up multi asset investment opportunity selection, and
- A global adaptive risk management overlay.

Bottom-up investment decisions are the result of a disciplined selection process that combines fundamental analysis, return stability, business visibility, risk assessment and momentum awareness.

Risk management aims to protect capital from expected and unexpected risk events in a broad time horizon, and to keep volatility under control by real diversification, asset correlation monitoring, dynamic hedging, and global macro risk assessment.

Dynamic negative beta hedging strategies are used to partially reduce net equity, bond, or credit (positive beta) in the portfolio. These risks are actively hedged via derivatives (futures and options) on indices to reduce the overall portfolio market and asset risk.

In addition, when buying stocks, bonds or other listed instruments currency exposure may be gained. Such currency exposure is dynamically hedged by trading currency derivatives. Options on currency pairs may be traded to optimize both long-term hedging costs and short-term risks.

#### **1.4. GLOBAL RISK EXPOSURE**

The global exposure of the Sub-Fund is calculated and monitored under the Absolute VaR approach. The Absolute VaR limits the maximum VaR that the Sub-Fund can have relative to its NAV. The Absolute VaR of the Sub-Fund cannot exceed 20% of its NAV, on the basis of a one-sided confidence interval of ninety-nine percent (99%) and a holding period of twenty (20) business days. It is not expected that the VaR of the Sub-Fund will exceed 10%.

The level of leverage of the Sub-Fund, gained from the use of derivative strategies, is defined as the sum of absolute values of the derivatives notional (with neither netting nor hedging arrangement) divided by its NAV. The expected level of leverage of the Sub-Fund is three hundred percent (300%). As a Sub-Fund's expected level of leverage is an indicative level not a regulatory limit, the actual level may exceed the expected level from time to time. However, the Sub-Fund's use of derivatives will remain consistent

with its investment objective and policies and risk profile and will comply with its VaR limit as set out above.

#### **1.5. RISK PROFILE OF THE INVESTOR**

This Sub-Fund is aimed at investors wishing to diversify their portfolio by investing in a product that provides capital appreciation regardless of how the financial markets evolve and to limit fluctuations in value. To achieve this, the Sub-Fund invests a significant part of its assets in hedges with the purpose of limiting market volatility and risk.

In short, this investment offers a moderate level of risk over of an investment horizon of at least three (3) years.

#### **1.6. SPECIFIC RISK WARNING**

##### ***Liquidity Risk***

The markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Sub-Fund, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. Liquidity risk refers to the inability of the Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time, and to its inability to raise sufficient cash to meet a redemption request due to its inability to dispose of investments.

In certain circumstances, investments may become less liquid or illiquid due to different factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, the Sub-Fund may invest in financial instruments traded over-the-counter, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for the Sub-Fund and/or compromise its ability to meet a redemption request.

##### ***Risks related to investments in equities***

Equities and securities of a share-like character are subject to strong price fluctuations as they are influenced by the performance of individual companies and sectors as well as by macro-economic and political developments and perspectives, which determine the expectations of the securities markets and thus the movement of prices. Factors affecting the value of securities in some markets and under certain situations cannot be determined easily and the value of such investments may decline or be reduced to zero.

##### ***Risks related to investments in Emerging and less developed Countries***

Investments in emerging or less developed markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments; economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation and social, political, and economic instability are greater in emerging markets than in more developed markets.

##### ***Risks related to investments in Depositary Receipts***

Depositary receipts (ADRs, GDRs and EDRs) are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded. Accordingly, whilst the depositary receipts are traded on regulated markets, there may be other risks associated with such instruments to consider – for example, the shares underlying the instruments may be subject to political,

inflationary, exchange rate or custody risks.

***Risks related to Investments in Fixed Income Securities***

The prices of interest-bearing securities are generally inversely correlated to changes in interest rates and, therefore, are subject to the risk of market price fluctuations. The values of fixed-income securities also may be affected by changes in the credit rating, liquidity, or financial condition of the issuer.

***Risks related to investments in Derivatives***

**Leverage Risk**

Because of the low margin deposits normally required in managing derivative instruments, an extremely high degree of leverage is typical. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the Sub-Fund. Investment in derivative transactions may result in losses in excess of the amount invested.

**Risks of Exchange Traded Derivative Transactions**

Securities exchange or commodities contract markets typically have the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Sub-Fund, to liquidate positions and, accordingly, expose it to losses and delays in its ability to redeem Shares.

**Risks of OTC Derivative Transactions**

Absence of regulation and counterparty default. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges may not be available in connection with OTC transactions. Regardless of the measures the Sub-Fund may use to reduce counterparty credit risk, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

**Liquidity and requirement to perform**

The counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the possibility to offset obligations through an equal and opposite transaction. As a consequence, in entering into forward, spot or options contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

**Necessity for counterparty trading relationships**

As noted above, participants in the OTC market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While it is believed that the Fund will be able to establish multiple counterparty business relationships to permit the Sub-Fund to operate in the OTC market and other counterparty markets, there can be no assurance that it will be able to do so. Such inability to establish or maintain these relationships would potentially increase the Sub-Fund's counterparty credit risk, limit its operations and could require it to cease investment operations or conduct a substantial portion of such operations in the futures markets.

***Risks related to investments in commodities (including commodities indices)***

Commodities, to which some of the Sub-Funds may be exposed, are assets that have tangible properties, such as oil, metals, and agricultural products. An exposure to commodities may not be suitable for all investors. Commodities and commodity-linked securities and derivatives may be subject to heightened risks and may be affected by overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, and international economic, regulatory, and political developments, as well as the trading activity of speculators and arbitrageurs in the underlying. The commodity markets (including the markets for commodity-linked securities and derivatives) may be subject to a degree of volatility that may prove higher than in equity or bond markets due to their sensitivity to the development of commodity prices and their substantial exposure to emerging markets.

***Foreign exchange Risk***

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

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. Currency hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

**1.7. REFERENCE CURRENCY**

The Sub-Fund' reference currency is EUR

**1.8. NET ASSET VALUE**

The Valuation Day will be each Business day. The NAV will be dated as of each Business Day calculated on the following Business Day.

If this day is not a Business Day, the NAV shall be calculated on the next business Day.

## 1.9. CLASSES OF SHARES

The Sub-Fund is offering the following Classes of Shares:

Class of Shares	I EUR	A EUR	A USD	C EUR
Isin Code	LU0077114410	LU0195489025	LU0387610990	LU2529295177
Currency	EUR	EUR	USD	EUR
Dividend Distribution	Capitalisation	Capitalisation	Capitalisation	Capitalisation
Minimum Initial Subscription amount	N/A	N/A	N/A	N/A
Minimum Subsequent Subscription amount	N/A	N/A	N/A	N/A
Minimum holding	N/A	N/A	N/A	N/A
Listing on Luxembourg Stock exchange	YES	NO	NO	NO

Subject to certain conditions determined by the Fund, the Class C of Shares (which is currently closed) was initially offered to certain existing investors and no new investor may invest in this class of shares. Exceptionally, Class of Shares C may be opened by decision of the Board in order to accept subscriptions from other UCI's managed or advised by the Management Company.

**Class of shares I** is open only for subscriptions by Institutional Investors, Professional Investors and investors receiving advisory services or discretionary investment management services as defined by the MiFID II Directive, and having separate fee arrangements in relation to those services and activities.

**Class of shares A** is open for retail investors.

## 1.10. SUBSCRIPTIONS

### INITIAL SUBSCRIPTIONS

Class of Shares	Initial subscription periods	Subscription Price
Class I EUR	12 May 2003 to 20 May 2003	EUR 100
Class A EUR	30 June 2004	EUR 100
Class A USD	22 September 2008 to 29 September 2008	USD 100

### SUBSEQUENT SUBSCRIPTIONS

Subscription for Shares shall be accepted on each Valuation Day.

Subscription requests received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on each Valuation Day, will be dealt at such Valuation Day. Any application received after 12.00 p.m. (Luxembourg time) on a Valuation Day, will be dealt at the following Valuation Day.

Payment of the subscription price shall be made at the latest on the third (3) Business Day following the applicable Valuation Day in the reference currency of the Class of Shares.

### **1.11. CONVERSION BETWEEN CLASSES OF SHARES AND SUB-FUNDS**

Shareholders may request conversion of Shares of any Class of Shares of the Sub-Fund (except for Shares of the Category C) into Shares of any another Class of Shares of Shares of this Sub-Fund or Shares of a Class of Shares in another Sub-Fund (if any), provided that no suspension of the NAV has occurred and provided the Shareholder meets the eligibility requirement of the Class of Shares. The conversion request will have to be received by the Registrar Agent before 12.00 p.m. on the applicable Valuation Day, at a rate calculated by reference to the price of the Shares of the concerned Class of Shares determined as at that day.

No Shares of the Class of Shares C of this Sub-Fund can be converted into another Class of Shares of the Sub-Fund or to other Classes of Shares of the other Sub-Funds and no Shares of other Class of Shares or Sub-Fund can be converted into Shares the Class of Shares C of this Sub-Fund.

### **1.12. REDEMPTION OF SHARES**

Shares may be redeemed with reference to each Valuation Day.

Redemption requests must be received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the applicable Valuation Day. Redemption requests received after that specific deadline will be treated as at the NAV per Share determined on the following Valuation Day.

Payment of the redemption price shall be made not later than the third (3) Business Day following the applicable Valuation Day in the reference currency of the Class of Shares.

### **1.13. FEES**

#### **INVESTMENT MANAGER**

The Management Company has not delegated the investment management function of the Sub-Fund as at the date of the present Prospectus.

Altex Asset Management, S.G.I.I.C., S.A. will receive, as described in the below table, an investment management fee which is payable at the end of each month and calculated on the average total net assets of the Class of Shares.

The Management Company may be entitled to the payment of an additional commission linked to the performance of a Class of Shares during each Calculation Period. Such additional commission, calculated on the outstanding Shares of the relevant Sub-Fund, is fixed by applying the rate indicated in the Fee Structure table below to the increase of the NAV per Share of the relevant year end compared to the highest historical NAV at year end of the previous 5 years (Reference NAV). In the event that the Fund has not received a performance fee for 5 years, the high watermark (Reference NAV) will be reset to the highest NAV of the previous 5 years.

The performance fee calculation is based on the NAV after deducting all expenses and fees (except the performance fee), and adjusting for subscriptions, redemptions, and conversions (if applicable) on the relevant Valuation Day so that these will not affect the payable Performance Fee. The daily NAV published by the Administrative Agent is net of all costs and fees.

For these purposes:

- “Reference NAV” means the highest historical NAV per Share calculated at year end of the

previous 5 years.

- “Valuation Day” means a Business Day as of which the Net Asset Value (NAV) is dated. The NAV is dated as of each Valuation Day and calculated on the next Business Day based on the closing prices of that Valuation Day.
- “Calculation Period” means a calendar year, starting on January 1 and ending on December 31. For new Classes of Shares, the Calculation Period will begin on the day of the launch of such new Class of Shares and will end on December 31 of that same year.
- “High watermark” means the highest historical NAV at year end. In the event that the Management Company has not received a performance fee for 5 years, the high watermark will be reset to the highest NAV of the previous 5 years.

**Performance Fee Crystallisation:**

The performance fee will be accrued on each Valuation Day and will crystallise and become payable to the Management Company yearly in arrears.

Performance fee is crystallised each year at the end of the Calculation Period.

**Subscriptions:**

In case of subscriptions, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To complete this adjustment, the performance of the NAV against the Reference NAV at the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. These adjustments are cumulated during the relevant Calculation Period and are adjusted in case of subsequent redemptions during the period.

**Redemptions and Conversions:**

In case of redemptions or conversions into Shares in another Sub-Fund and/or Class of Shares during the Calculation Period, the performance fee accrued in respect of those redeemed or converted Shares is crystallised and becomes payable to the Management Company, prior to the redemption/conversion taking place.

**Performance fee calculation example:**

Below is an example of the performance fee that would hypothetically accrue over a 9 year period. For the sake of clarity, this example does not give an exhaustive view on retreatment of capital movements (i.e., subscriptions and redemptions).

A	B	C	D	E	F
Year	Year End NAV before PF	High Watermark	PF to pay (Y/N): if B>C	Payable PF: (B-C)*10%	Year End NAV Post PF
1	110	100.0	Y	1.0	109.0
2	115	109.0	Y	0.6	114.4
3	112	114.4	N	-	112.0
4	110	114.4	N	-	110.0
5	108	114.4	N	-	108.0
6	111	114.4	N	-	111.0
7	112	114.4	N	-	112.0
8	113	112.0	Y	0.1	112.9
9	110	112.9	N	-	110.0

#### SUMMARY OF THE FEE STRUCTURE

Class of Shares	I EUR	A EUR	A USD	C EUR
Max. Subscription Fee	2.5%	2.5%	2.5%	2.5%
Redemption Fee	0%	0%	0%	0%
Conversion Fee	0%	0%	0%	0%
Investment Management Fee (per annum)	0.60%	1.10%	1.10%	0%
Performance Fee (rate of Reference NAV)	10%	10%	10%	10%
Subscription Tax (Taxe d'abonnement)	0.01%	0.05%	0.05%	0.05%

#### 1.14. HISTORICAL PERFORMANCE

Historical performance of the Sub-Fund can be found in the relevant KIIDS available for each Class of Shares.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of Shares of the Fund.

#### 1.15. SFTR REGULATION

The Sub-Fund will not enter into securities lending and borrowing transactions and/or repurchase agreements (repo) and reverse repo or any securities financing transactions, or total return swaps, within the meaning of the EU Regulation 2015/2365 on transparency of securities financing transactions ("SFTR").

#### 1.16. SFDR DISCLOSURE

The Altex Momentum Sub-Fund is classified under Article 6, according to EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").

While the Altex Momentum Sub-Fund, does not promote environmental or social characteristics, or a combination of those characteristics according to Article 8 of SFDR, and does not have sustainable investment as its objective according to Article 9 of SFDR, sustainability considerations are integrated into the investment decision-making process by assessing the environmental and social characteristics of the companies and UCIs in which investments may be made. It should also be noted that the sustainability risks that the Sub-Fund may be subject to are likely to have an immaterial impact on the value of the Sub-Fund's investments.

The assessment of the environmental and social characteristics of the companies and UCIs in which investments may be made is carried out using rating data provided by third-party data sources (such as MSCI or Bloomberg). These ratings use rules-based methodology designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. Companies are rated on a scale according to their exposure to industry-material ESG risks and their ability to manage those risks relative to peers. These ratings aim to measure a company's resilience to long-term, financially relevant ESG risks. Material risks and opportunities for each industry are identified through a quantitative model that looks at ranges and average values for each industry for externalized impacts such as carbon intensity, water intensity, and injury rates. Once identified, these key indicators are assigned to each industry and company.

The Sub-Fund's sustainability criterion will be met by companies that follow good governance practices and are granted the minimum rating established by the Management Company from time to time. For companies lacking a rating by third party providers, the Management Company will perform a qualitative analysis and will assign an internal rating.

It should be noted that ESG data may be difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. In addition, even when such data is identified and obtained, as with any data, there can be no guarantee that ESG data will be correctly assessed. As a consequence, the assessment of unrated investments will be carried out by the Management Company on a best effort basis. This review will include an analysis of the business model and financials; the sector and value chain; the long-term dynamics and risks of the company's growth; and the sustainability risks.

Where ESG data is unavailable, considered insufficient or inaccurate and the ESG assessment cannot be carried out by the Management Company for a particular investment –that otherwise does meet its investment criterion– such underlying investment will be classified as non-aligned for the purposes of the Taxonomy Regulation. In addition, due to the lack of reliable methodologies to determine to what extent exposures achieved through derivatives are exposures to environmentally sustainable economic activities, such exposures are considered non-aligned when assessing the Sub-Fund's alignment.

Therefore, although the Management Company has integrated sustainability considerations into the investment decision-making process, the investments underlying the Sub-Fund may not take into account the EU criteria for environmentally sustainable economic activities.

#### **1.17. BENCHMARK INDEX**

The Sub-Fund has an active investment strategy and is not managed in reference to a benchmark.

## **2. ALTEX PRUDENT GROWTH**

### **2.1. INVESTMENT OBJECTIVE**

The Sub-Fund aims to generate long term capital appreciation and preservation by investing in a concentrated portfolio of growth style equities, while seeking to contain volatility and risk with complementary currency and beta hedging strategies. However, there is no guarantee or representation that the objective of the Sub-Fund will be achieved.

### **2.2. INVESTMENT POLICY**

While respecting the principle of risk diversification, the Sub-Fund's assets are invested mainly in equities, equity linked securities and derivatives without restrictions on economic sector or geographic origin with a flexible beta exposure: as market conditions change, the portfolio's exposure to equity, and consequently its beta exposure, will also vary.

Under normal market conditions, the Sub-Fund's baseline allocation is:

- between 75% and 100% in equities and equity linked securities.
- between 0% and 100% short equity indices via futures (for hedging purposes). At the discretion of the Management Company, additional complementary options strategies may be used to increase or reduce net equity exposure (long equity exposure minus short equity exposure) to a total of 0% to 100%.
- Between 0% and 100% in currencies other than Euro, that can remain unhedged or be totally or partially hedged, as part of the investment strategy. FX exposure will be initially obtained by the currency denomination of the stocks held in the portfolio. However, FX exposure may be actively managed via futures, options and/or FX Forward contracts as part of the investment strategy, as it may post additional gains to the Sub-Fund and offer risk mitigation characteristics via diversification. FX exposure may selectively be hedged totally or partially at any point in time and for as long as deemed necessary, when the Management Company considers that such exposure does not offer an attractive risk-return in the short to mid-term (i.e., in a timeframe of 3 to 24 months).
- maximum 25% in cash, fixed income, and money market instruments.

Up to 20% of the Sub-Fund's net assets may be held in ancillary liquid assets, which will be limited to bank deposits at sight and cash, in accordance with point I.3 of Section 2.2 Investment restrictions of the Prospectus. However, if the Management Company considers that exceptional market conditions, such as market crises, may entail a risk of permanent loss of capital, up to 100% of the Sub-Fund's net assets may be temporarily invested in such ancillary liquid assets for a strictly necessary period of time. Once the exceptional market conditions that triggered the use of this strategy are solved, the Management Company will take the necessary steps to adjust portfolio investments to the normal levels.

No more than 10% of the Sub-Fund's net assets will be invested in other UCIs.

A minimum of 75% of the Sub-Fund's assets will be held in assets denominated in G5 currencies. Non-G10 currencies may be held in the Sub-Fund up to 10% of the net assets provided they are needed to gain exposure to individual stocks denominated in such group of currencies. Exposure to such currencies will generally remain unhedged.

The Sub-fund will also enter into various transactions involving derivative instruments for risk control, hedging, and investment purposes, using:

- futures - both exchange traded and OTC -, that is, derivative financial contracts that obligate the parties to transact an asset at a predetermined future date and price including but not limited to stock indices and currency pairs;
- options - both exchange traded and OTC -, that is, a financial instrument that is based on the value of underlying securities, that offers the buyer the opportunity to buy or sell - depending on the type of contract they hold - the underlying asset, including but not limited to equity options and currency pairs; and
- currency forwards, that is, contracts in the foreign exchange market that lock in the exchange rate for the purchase or sale of a currency on a future date.

Stock index futures allow the Sub-fund to obtain net long or net short exposures to a selected reference index and its underlying securities without actually having to purchase or sell such underlying securities. Currency and currency index futures and currency forwards allow the Sub-fund to obtain net long or net negative (short) exposure to selected currencies.

Stock index options allow the Sub-fund to obtain net long or net short exposures to a selected reference index and its underlying securities without actually having to purchase or sell such underlying securities, depending on the index price at expiry date. Currency options allow the Sub-fund to obtain net long or net negative (short) exposure to selected currencies, depending on currency exchange at expiry date.

With respect to derivatives on indices, the indices will comply with the criteria of the UCI law, the Grand Ducal regulation dated 8 February 2008 and the CSSF circular 14/592. Please refer to Section 3.3.2 Financial Derivatives Instruments in the general Part of the Prospectus for a full description of such indices.

The resulting net exposure of the Sub-fund to the asset classes will, at any given point of time, fall within the following ranges:

- 0% to 100% net exposure to Global Equities and equity linked securities after delta adjustment via options. Delta measures the price sensitivity of an option or future to changes in the price of an underlying security.
- 0% to 25% net exposure to cash, fixed income (including short-term debt securities with an average rating of investment grade (i.e., above BBB- as determined by Standard & Poor's, Moody's or Fitch or any other recognised credit rating agency)) and money market instruments.

Thus, the Sub-fund's main approach to profitable growth equities with sound financial strength plus an additional beta hedging overlay, may be considered "Prudent" (as opposed to the "Aggressive" approach taken by long only equity growth funds).

In order to obtain exposure to emerging markets and markets in which there are high entry barriers to direct investments, the Sub-Fund may invest up to 40% of its assets in depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), which are instruments that represent shares in companies negotiated outside the regulated markets in which the depositary receipts are traded. Any investments in ADRs and GDRs will meet the criteria set out in the Grand Ducal regulation of 8 February 2008 and comply at any time with the eligibility criteria of the UCI law.

The Sub-Fund will not invest in asset backed securities ("ABS"), mortgage backed securities ("MBS") and contingent convertible securities ("CoCos").

### **2.3. INVESTMENT STRATEGY**

The Sub-fund seeks an attractive risk-adjusted return objective by capturing the excess return (alpha) from growth stocks' long-term outperformance vs. global equity indices. The equity target universe is updated on a quarterly basis using proprietary quantitative filters established by the Management Company (based on financial ratios, balance sheet data and income statement features and evolution over time), while a second discretionary stock selection process is performed through in-depth analysis of each target company. Final portfolio construction decisions are taken on a discretionary basis by the Management Company weekly or at any other frequency that may be required due to relevant changes in markets or individual stocks. The strategy seeks to capture long-term secular business growth and price upward trends, so holdings are maintained as long as they continue to meet their growth characteristics.

The stock picking process used by the Management Company includes several phases. The first phase is based on the use of the above-mentioned quantitative filter: the financial data (sustainable growth of fundamentals, financial strength, and long-term momentum, among others) of these companies is automatically screened, and an internal scoring is assigned to each name. As a second step, an in-depth discretionary analysis of those companies with a scoring meeting the Management Company's criterion (usually around 150-300 companies) is performed to build the Sub-Fund's investment target universe. Finally, the most attractive stocks measured by long-term capital appreciation expectations, financial strength, momentum and business cycle phase awareness are included in the final portfolio (between 30 and 60 stocks).

This strategy aims to combine a long bias to growth equities and a short bias to equity indices via derivatives to dampen volatility and capture alpha (excess return). Dynamic negative beta hedging strategies are used to partially reduce net equity exposure (positive beta) in the portfolio, while risk control is actively managed to contain portfolio volatility while preserving an attractive return for investors. Therefore, as investments are made in long equity stocks, which add long beta risk, risk is hedged via derivatives to reduce the overall portfolio beta: The Sub-fund will short indices to reduce beta and buy and sell options on indices to optimize costs and short-term risks.

In addition, when buying stocks, money market instruments or other listed instruments currency exposure may be gained. Such currency exposure is dynamically hedged by selling forwards or trading currency derivatives. Options on currency pairs may be traded to optimize both long-term hedging costs and short-term risks.

### **2.4. GLOBAL RISK EXPOSURE**

The global exposure of the Sub-Fund is calculated and monitored under the Absolute VaR approach. The Absolute VaR limits the maximum VaR that the Sub-Fund can have relative to its NAV. The Absolute VaR of the Sub-Fund cannot exceed 20% of its NAV, on the basis of a one-sided confidence interval of ninety-nine percent (99%) and a holding period of twenty (20) days. It is not expected that the VaR of the Sub-Fund will exceed 15%.

The level of leverage of the Sub-Fund, gained from the use of derivative strategies to hedge equity and currency exposure, is defined as the sum of absolute values of the derivatives notional (with neither netting nor hedging arrangement) divided by NAV, and is not expected to exceed three hundred percent (300%). A Sub-Fund's expected level of leverage is an indicative level not a regulatory limit and the actual level may exceed the expected level from time to time. However, the Sub-Fund's use of derivatives will remain consistent with its investment objective and policies and risk profile and will comply with its VaR limit as set out above.

### **2.5. RISK PROFILE OF THE INVESTOR**

This Sub-Fund is aimed at investors wishing to diversify their portfolio by investing in a product that provides capital appreciation regardless of how the financial markets evolve and to limit fluctuations in value. To achieve this, the Sub-Fund invests a substantial part of its assets in hedges with the purpose of limiting market volatility and risk.

In short, this investment offers a moderate level of risk over an investment horizon of at least three (3) years.

## **2.6. SPECIFIC RISK WARNING**

### ***Liquidity Risk***

The markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Sub-Fund, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. Liquidity risk refers to the inability of the Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time, and to its inability to raise sufficient cash to meet a redemption request due to its inability to dispose of investments.

In certain circumstances, investments may become less liquid or illiquid due to different factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, the Sub-Fund may invest in financial instruments traded over-the-counter, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for the Sub-Fund and/or compromise its ability to meet a redemption request.

### ***Risks related to investments in equities***

Equities and securities of a share-like character are subject to strong price fluctuations as they are influenced by the performance of individual companies and sectors as well as by macro-economic and political developments and perspectives, which determine the expectations of the securities markets and thus the movement of prices. Factors affecting the value of securities in some markets and under certain situations cannot be determined easily and the value of such investments may decline or be reduced to zero.

### ***Risks related to investments in Emerging and less developed Countries***

Investments in emerging or less developed markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments; economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

### ***Risks related to investments in Depositary Receipts***

Depositary receipts (ADRs, GDRs and EDRs) are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded. Accordingly, whilst the depositary receipts are traded on regulated markets, there may be other risks associated with such instruments to consider – for example, the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks.

### ***Risks related to Investments in Fixed Income Securities***

The prices of interest-bearing securities are generally inversely correlated to changes in interest rates

and, therefore, are subject to the risk of market price fluctuations. The values of fixed-income securities also may be affected by changes in the credit rating, liquidity, or financial condition of the issuer.

### ***Risks related to investments in Derivatives***

#### **Leverage Risk**

Because of the low margin deposits normally required in managing derivative instruments, an extremely high degree of leverage is typical. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the Sub-Fund. Investment in derivative transactions may result in losses in excess of the amount invested.

#### **Risks of Exchange Traded Derivative Transactions**

Securities exchange or commodities contract markets typically have the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Sub-Fund, to liquidate positions and, accordingly, expose it to losses and delays in its ability to redeem Shares.

#### **Risks of OTC Derivative Transactions**

Absence of regulation and counterparty default. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges may not be available in connection with OTC transactions. Regardless of the measures the Sub-Fund may use to reduce counterparty credit risk, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

#### **Liquidity and requirement to perform**

The counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the possibility to offset obligations through an equal and opposite transaction. As a consequence, in entering into forward, spot or options contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

#### **Necessity for counterparty trading relationships**

As noted above, participants in the OTC market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While it is believed that the Fund will be able to establish multiple counterparty business relationships to permit the Sub-Fund to operate in the OTC market and other counterparty markets, there can be no assurance that it will be able to do so. Such inability to establish or maintain these relationships would potentially increase the Sub-Fund's counterparty credit risk, limit its operations and could require it to cease investment operations or conduct a substantial portion of such operations in the futures markets.

#### **Foreign exchange Risk**

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

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. Currency hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

## 2.7. REFERENCE CURRENCY

The Sub-Fund' reference currency is EUR.

## 2.8. NET ASSET VALUE

The Valuation Day will be each Business Day. The NAV will be dated as of each Business Day calculated on the following Business Day.

If this day is not a Business Day the NAV shall be calculated on the next business Day.

## 2.9. CLASSES OF SHARES

The Sub-Fund is offering the following Classes of Shares:

Class of Shares	A EUR	A USD	I EUR
Isin Code	LU1877826195	LU2737753587	LU1877826518
Currency	EUR	USD	EUR
Dividend Distribution	Capitalisation	Capitalisation	Capitalisation
Minimum Initial Subscription amount	N/A	N/A	N/A
Minimum Subsequent Subscription amount	N/A	N/A	N/A
Minimum holding	N/A	N/A	N/A
Listing on Luxembourg Stock exchange	NO	NO	NO

The **Class of Shares I** is open only for subscriptions by Institutional Investors, Professional Investors and investors receiving advisory services or discretionary investment management services as defined by the MiFID II Directive, and having separate fee arrangements in relation to those services and activities

**Class of Shares A** is open for retail investors.

## 2.10. SUBSCRIPTIONS

### INITIAL SUBSCRIPTIONS

Class of Shares	Initial subscription periods	Subscription Price
Class A EUR	27 <sup>th</sup> May 2020	EUR 100
Class A USD	N/A	N/A
Class I EUR	31 <sup>st</sup> August 2018 to 3 <sup>rd</sup> September 2018	EUR 100

### SUBSEQUENT SUBSCRIPTIONS

Subscription for Shares shall be accepted on each Valuation Day. Subscription requests received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the Valuation Day, will be dealt at such Valuation Day. Any application received after 12.00 p.m. (Luxembourg time) on a Valuation Day, will be dealt at the following Valuation Day.

Payment of the subscription price shall be made at the latest on the third (3) Business Day following the applicable Valuation Day in the reference currency of the Class of Shares.

## 2.11. CONVERSION BETWEEN CLASSES OF SHARES AND SUB-FUNDS

Shareholders may request conversion of Shares of any Class of Shares of this Sub-Fund into Shares of any another Class of Shares of this Sub-Fund or Shares of a Class of Shares in another Sub-Fund (if any), provided that no suspension of the NAV has occurred and provided the Shareholder meets the eligibility requirement of the Class of Shares.

The conversion request will have to be received by the Registrar Agent before 12.00 p.m. on the applicable Valuation Day, at a rate calculated by reference to the price of the Shares of the concerned Sub-fund or Class of Shares determined as at that day.

## 2.12. REDEMPTION OF SHARES

Shares may be redeemed with reference to each Valuation Day.

Redemption requests must be received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the applicable Valuation Day. Redemption requests received after that specific deadline will be treated as at the NAV per Share determined on the following Valuation Day.

Payment of the redemption price shall be made not later than the third (3) Business Day following the applicable Valuation Day in the reference currency of the Class of Shares.

## 2.13. FEES

### INVESTMENT MANAGER

The Management Company has not delegated the investment management function of the Sub-Fund as at the date of the present Prospectus.

Altex Asset Management, S.G.I.I.C., S.A. will receive, as described in the below table, an investment management fee which is payable at the end of each month and calculated on the average total net assets of the Class of Shares.

The Management Company may be entitled to the payment of an additional commission linked to the

performance of a Class of Shares during each Calculation Period. Such additional commission, calculated on the outstanding Shares of the relevant Sub-Fund, is fixed by applying the rate indicated in the Fee Structure table below to the increase of the NAV per Share of the relevant year end compared to the highest historical NAV at year end of the previous 5 years (Reference NAV). In the event that the Fund has not received a performance fee for 5 years, the high watermark (Reference NAV) will be reset to the highest NAV of the previous 5 years.

The performance fee calculation is based on the NAV after deducting all expenses and fees (except the performance fee), and adjusting for subscriptions, redemptions, and conversions (if applicable) on the relevant Valuation Day so that these will not affect the payable Performance Fee. The daily NAV published by the Administrative Agent is net of all costs and fees.

For these purposes:

- “Reference NAV” means the highest historical NAV per Share calculated at year end of the previous 5 years.
- “Valuation Day” means a Business Day as of which the Net Asset Value (NAV) is dated. The NAV is dated as of each Valuation Day and calculated on the next Business Day based on the closing prices of that Valuation Day.
- “Calculation Period” means a calendar year, starting on January 1 and ending on December 31. For new Classes of Shares, the Calculation Period will begin on the day of the launch of such new Class of Shares and will end on December 31 of that same year.
- “High watermark” means the highest historical NAV at year end. In the event that the Management Company has not received a performance fee for 5 years, the high watermark will be reset to the highest NAV of the previous 5 years.

**Performance Fee Crystallisation:**

The performance fee will be accrued on each Valuation Day and will crystallise and become payable to the Management Company yearly in arrears.

Performance fee is crystallised each year at the end of the Calculation Period.

**Subscriptions:**

In case of subscriptions, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To complete this adjustment, the performance of the NAV against the Reference NAV at the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. These adjustments are cumulated during the relevant Calculation Period and are adjusted in case of subsequent redemptions during the period.

**Redemptions and Conversions:**

In case of redemptions or conversions into Shares in another Sub-Fund and/or Class of Shares during the Calculation Period, the performance fee accrued in respect of those redeemed or converted Shares is crystallised and becomes payable to the Management Company, prior to the redemption/conversion taking place.

**Performance fee calculation example:**

Below is an example of the performance fee that would hypothetically accrue over a 9 year period. For the sake of clarity, this example does not give an exhaustive view on retreatment of capital movements (i.e., subscriptions and redemptions).

A	B	C	D	E	F
Year	Year End NAV before PF	High Watermark	PF to pay (Y/N): if B>C	Payable PF: (B-C)*10%	Year End NAV Post PF
1	110	100.0	Y	1.0	109.0
2	115	109.0	Y	0.6	114.4
3	112	114.4	N	-	112.0
4	110	114.4	N	-	110.0
5	108	114.4	N	-	108.0
6	111	114.4	N	-	111.0
7	112	114.4	N	-	112.0
8	113	112.0	Y	0.1	112.9
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#### SUMMARY OF THE FEE STRUCTURE

Class of Shares	A EUR	A USD	I EUR
Max. Subscription Fee	2.5%	2.5%	2.5%
Redemption Fee	0%	0%	0%
Conversion Fee	0%	0%	0%
Investment Management Fee (per annum)	1.25%	1.25%	1.25%
Performance Fee (rate of Reference NAV)	10%	10%	-
Subscription Tax (Taxe d'abonnement)	0.05%	0.05%	0.01%

#### 2.14. HISTORICAL PERFORMANCE

Historical performance of the Sub-Fund can be found in the relevant KIIDS available for each Class of Shares.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of Shares of the Fund.

#### 2.15. SFTR REGULATION

The Sub-Fund will not enter into securities lending and borrowing transactions and/or repurchase agreements (repo) and reverse repo or any securities financing transactions, or total return swaps, within the meaning of the EU Regulation 2015/2365 on transparency of securities financing transactions ("SFTR").

## **2.16. SFDR DISCLOSURE**

The Altex Prudent Growth Sub-Fund is classified under Article 6, according to EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”).

While the Altex Prudent Growth Sub-Fund, does not promote environmental or social characteristics, or a combination of those characteristics according to Article 8 of SFDR, and does not have sustainable investment as its objective according to Article 9 of SFDR, sustainability considerations are integrated into the investment decision-making process by assessing the environmental and social characteristics of the companies and UCIs in which investments may be made. It should also be noted that the sustainability risks that the Sub-Fund may be subject to are likely to have an immaterial impact on the value of the Sub-Fund’s investments.

The assessment of the environmental and social characteristics of the companies and UCIs in which investments may be made is carried out using rating data provided by third-party data sources (such as MSCI or Bloomberg). These ratings use rules-based methodology designed to measure a company’s resilience to long-term, industry material environmental, social and governance (ESG) risks. Companies are rated on a scale according to their exposure to industry-material ESG risks and their ability to manage those risks relative to peers. These ratings aim to measure a company’s resilience to long-term, financially relevant ESG risks. Material risks and opportunities for each industry are identified through a quantitative model that looks at ranges and average values for each industry for externalized impacts such as carbon intensity, water intensity, and injury rates. Once identified, these key indicators are assigned to each industry and company.

The Sub-Fund’s sustainability criterion will be met by companies that follow good governance practices and are granted the minimum rating established by the Management Company from time to time. For companies lacking a rating by third party providers, the Management Company will perform a qualitative analysis and will assign an internal rating.

It should be noted that ESG data may be difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. In addition, even when such data is identified and obtained, as with any data, there can be no guarantee that ESG data will be correctly assessed. As a consequence, the assessment of unrated investments will be carried out by the Management Company on a best effort basis. This review will include an analysis of the business model and financials; the sector and value chain; the long-term dynamics and risks of the company’s growth; and the sustainability risks.

Where ESG data is unavailable, considered insufficient or inaccurate and the ESG assessment cannot be carried out by the Management Company for a particular investment –that otherwise does meet its investment criterion– such underlying investment will be classified as non-aligned for the purposes of the Taxonomy Regulation. In addition, due to the lack of reliable methodologies to determine to what extent exposures achieved through derivatives are exposures to environmentally sustainable economic activities, such exposures are considered non-aligned when assessing the Sub-Fund’s alignment.

Therefore, although the Management Company has integrated sustainability considerations into the investment decision-making process, the investments underlying the Sub-Fund may not take into account the EU criteria for environmentally sustainable economic activities.

## **2.17. BENCHMARK INDEX**

The Sub-Fund has an active investment strategy and is not managed in reference to a benchmark.

### 3. ALTEX QUALITY

#### 3.1. INVESTMENT OBJECTIVE

The investment objective of the Sub-Fund is to achieve long term capital appreciation and preservation by investing in a concentrated portfolio of high-quality equities, while seeking to contain volatility and risk with complementary currency and beta hedging strategies. However, there is no guarantee or representation that the objective of the Sub-Fund will be achieved.

#### 3.2. INVESTMENT POLICY

While respecting the principle of risk diversification, the Sub-Fund's assets are invested mainly in equities and equity linked securities and derivatives without restrictions on economic sector or geographic origin with a flexible beta exposure: as market conditions change, the portfolio exposure to equity, and consequently, its beta exposure, will also vary.

Under normal market conditions, the Sub-fund's baseline allocation is:

- minimum 75% in equities and equity linked securities.
- between 0% and 100% short equity indices via futures (for hedging purposes). At the discretion of the Management Company, additional complementary options strategies may be used to increase or reduce net equity exposure (long equity exposure minus short equity exposure) to a total of 0% to 100%.
- Between 0% and 100% in currencies other than Euro, that can remain unhedged or be totally or partially hedged, as part of the investment strategy. FX exposure will be initially obtained by the currency denomination of the stocks held in the portfolio. However, FX exposure may be actively managed via futures, options and/or FX Forward contracts as part of the investment strategy, as it may post additional gains to the Sub-Fund and offer risk mitigation characteristics via diversification. FX exposure may selectively be hedged totally or partially at any point in time and for as long as deemed necessary, when the Management Company considers that such exposure does not offer an attractive risk-return in the short to mid-term (i.e., in a timeframe of 3 to 24 months).
- maximum 25% in cash, fixed income securities with an average rating of investment grade (i.e., above BBB- as determined by Standard & Poor's, Moody's or Fitch or any other recognised credit rating agency) and money market instruments.

Up to 20% of the Sub-Fund's net assets may be held in ancillary liquid assets, which will be limited to bank deposits at sight and cash, in accordance with point I.3 of Section 2.2 Investment restrictions of the Prospectus. However, if the Management Company considers that exceptional market conditions such as market crises, may entail a risk of permanent loss of capital, up to 100% of the Sub-Fund's net assets may be temporarily invested in such ancillary liquid assets for a strictly necessary period of time. Once the exceptional market conditions that triggered the use of this strategy are solved, the Management Company will take the necessary steps to adjust portfolio investments to the normal levels.

No more than 10% of the Sub-Fund's net assets will be invested in other UCIs.

A minimum of 75% of the Sub-Fund's assets will be held in assets denominated in G5 currencies. Non-G10 currencies may be held in the Sub-Fund up to 10% of the net assets provided they are needed to

gain exposure to individual stocks denominated in such group of currencies. Exposure to such currencies will generally remain unhedged.

The Sub-fund will also enter into various transactions involving derivative instruments for risk control, hedging, and investment purposes, using:

- futures - both exchange traded and OTC -, that is, derivative financial contracts that obligate the parties to transact an asset at a predetermined future date and price including but not limited to stock indices and currency pairs;
- options - both exchange traded and OTC -, that is, a financial instrument that is based on the value of underlying securities, that offers the buyer the opportunity to buy or sell - depending on the type of contract they hold - the underlying asset, including but not limited to equity options and currency pairs; and
- currency forwards, that is, contracts in the foreign exchange market that lock in the exchange rate for the purchase or sale of a currency on a future date.

Stock index futures allow the Sub-fund to obtain net long or net short exposures to a selected reference index and its underlying securities without actually having to purchase or sell such underlying securities. Currency and currency index futures and currency forwards allow the Sub-fund to obtain net long or net negative (short) exposure to selected currencies.

Stock index options allow the Sub-fund to obtain net long or net short exposures to a selected reference index and its underlying securities without actually having to purchase or sell such underlying securities, depending on the index price at expiry date. Currency options allow the Sub-fund to obtain net long or net negative (short) exposure to selected currencies, depending on currency exchange at expiry date.

With respect to derivatives on indices, the indices will comply with the criteria of the UCI law, the Grand Ducal regulation dated 8 February 2008 and the CSSF circular 14/592. Please refer to Section 3.3.2 Financial Derivatives Instruments in the general Part of the Prospectus for a full description of such indices.

The resulting net exposure of the Sub-fund to the asset classes will, at any given point of time, fall within the following ranges:

- 0% to 100% net exposure to Global Equities and equity linked securities after delta adjustment via options. Delta measures the price sensitivity of an option or future to changes in the price of an underlying security.
- 0% to 25% net exposure to cash, fixed income (including short-term debt securities with an average rating of investment grade (i.e., above BBB- as determined by Standard & Poor's, Moody's or Fitch or any other recognised credit rating agency)) and money market instruments.

In order to obtain exposure to emerging markets and markets in which there are high entry barriers to direct investments, the Sub-Fund may invest up to 40% of its net assets in depositary receipts (including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)), which are instruments that represent shares in companies negotiated outside the regulated markets in which the depositary receipts are traded. Any investments in ADRs and GDRs will meet the criteria set out in the Grand Ducal regulation of 8 February 2008 and comply at any time with the eligibility criteria of the UCI law.

The Sub-Fund will not invest in asset backed securities ("ABS"), mortgage backed securities ("MBS") and contingent convertible securities ("CoCos").

### **3.3. INVESTMENT STRATEGY**

The Sub-fund's investment strategy is implemented with a global and pragmatic approach to equity markets. It requires active multi-asset management and dynamic risk control to contain portfolio volatility while preserving an attractive return for investors.

In practice, this investment strategy combines a two-fold investment approach:

- A disciplined and structured bottom-up quality growth equity opportunity selection, and
- An active management of stock, industry, and risk factor concentration exposure.

Bottom-up investment decisions are the result of a disciplined selection process that combines fundamental analysis, return stability, business visibility, risk assessment and momentum awareness. This stock picking process includes several phases. The first phase is executed on a quarterly basis, using the Management Company's proprietary quantitative filter: the financial data (sustainable growth of fundamentals, financial strength, and long-term momentum, among others) of these companies is automatically screened, and an internal scoring is assigned to each name. As a second step, an in-depth discretionary analysis of those companies with a scoring meeting the Management Company's criterion (usually around 150-300 companies) is performed to build the Sub-Fund's investment target universe. Finally, the most attractive stocks measured by long-term capital appreciation expectations, financial strength, momentum, and business cycle phase awareness are included in the final portfolio (between 25 and 50 stocks). Portfolio construction decisions are discretionarily taken by the Management Company on a weekly basis, or any other frequency that may be deemed necessary due to market and/or individual stock relevant changes. As the strategy seeks to capture long-term returns from secular business growth and upward price trends, holdings are maintained as long as their growth characteristics remain attractive.

Risk management aims to protect capital from expected and unexpected risk events in a broad time horizon, and to keep temporary drawdowns under control by real diversification, asset correlation monitoring, and global macro risk assessment. In addition, when buying stocks, or other instruments currency exposure may be gained. Such currency exposure will be actively used as part of the Sub-Fund's investment strategy.

### **3.4. GLOBAL RISK EXPOSURE**

The global exposure of the Sub-Fund is calculated and monitored under the Absolute VaR approach. The Absolute VaR limits the maximum VaR that the Sub-Fund can have relative to its NAV. The Absolute VaR of the Sub-Fund cannot exceed 20% of its NAV, on the basis of a one-sided confidence interval of ninety-nine percent (99%) and a holding period of twenty (20) days. It is not expected that the VaR of the Sub-Fund will exceed 15%.

The level of leverage of the Sub-Fund, gained from the use of derivative strategies to hedge equity and currency exposure, is defined as the sum of absolute values of the derivatives notional (with neither netting nor hedging arrangement) divided by NAV, and is not expected to exceed three hundred percent (300%). A Sub-Fund's expected level of leverage is an indicative level not a regulatory limit and the actual level may exceed the expected level from time to time. However, the Sub-Fund's use of derivatives will remain consistent with its investment objective and policies and risk profile and will comply with its VaR limit as set out above.

### **3.5. RISK PROFILE OF THE INVESTOR**

This Sub-Fund is aimed at investors wishing to invest in high quality equities. The Sub-Fund aims to produce an attractive performance in a full business cycle, regardless of how the financial markets evolve and to limit fluctuations in value. To achieve this, the Sub-Fund may invest at any point in time a substantial part of its assets in hedges with the purpose of limiting market volatility and risk.

In short, this investment offers a moderate level of market risk over an investment horizon of at least three (3) years.

### **3.6. SPECIFIC RISK WARNING**

#### ***Liquidity Risk***

The markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Sub-Fund, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. Liquidity risk refers to the inability of the Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time, and to its inability to raise sufficient cash to meet a redemption request due to its inability to dispose of investments.

In certain circumstances, investments may become less liquid or illiquid due to different factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, the Sub-Fund may invest in financial instruments traded over-the-counter, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for the Sub-Fund and/or compromise its ability to meet a redemption request.

#### ***Risks related to investments in equities***

Equities and securities of a share-like character are subject to strong price fluctuations as they are influenced by the performance of individual companies and sectors as well as by macro-economic and political developments and perspectives, which determine the expectations of the securities markets and thus the movement of prices. Factors affecting the value of securities in some markets and under certain situations cannot be determined easily and the value of such investments may decline or be reduced to zero.

#### ***Risks related to investments in Emerging and less developed Countries***

Investments in emerging or less developed markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments; economies based on only a few industries, and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

#### ***Risks related to investments in Depositary Receipts***

Depositary receipts (ADRs, GDRs and EDRs) are instruments that represent shares in companies trading outside the markets in which the depositary receipts are traded. Accordingly, whilst the depositary receipts are traded on regulated markets, there may be other risks associated with such instruments to consider – for example, the shares underlying the instruments may be subject to political, inflationary, exchange rate or custody risks.

#### ***Risks related to Investments in Fixed Income Securities***

The prices of interest-bearing securities are generally inversely correlated to changes in interest rates and, therefore, are subject to the risk of market price fluctuations. The values of fixed-income securities

also may be affected by changes in the credit rating, liquidity, or financial condition of the issuer.

### ***Risks related to investments in Derivatives***

#### **Leverage Risk**

Because of the low margin deposits normally required in managing derivative instruments, an extremely high degree of leverage is typical. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the Sub-Fund. Investment in derivative transactions may result in losses in excess of the amount invested.

#### ***Risks of Exchange Traded Derivative Transactions***

Securities exchange or commodities contract markets typically have the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Sub-Fund, to liquidate positions and, accordingly, expose it to losses and delays in its ability to redeem Shares.

#### ***Risks of OTC Derivative Transactions***

Absence of regulation and counterparty default. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges may not be available in connection with OTC transactions. Regardless of the measures the Sub-Fund may use to reduce counterparty credit risk, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

#### ***Liquidity and requirement to perform***

The counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the possibility to offset obligations through an equal and opposite transaction. As a consequence, in entering into forward, spot or options contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

#### ***Necessity for counterparty trading relationships***

As noted above, participants in the OTC market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While it is believed that the Fund will be able to establish multiple counterparty business relationships to permit the Sub-Fund to operate in the OTC market and other counterparty markets, there can be no assurance that it will be able to do so. Such inability to establish or maintain these relationships would potentially increase the Sub-Fund's counterparty credit risk, limit its operations and could require it to cease investment operations or conduct a substantial portion of such operations in the futures markets.

#### ***Foreign exchange Risk***

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

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. Currency hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

### 3.7. REFERENCE CURRENCY

The Sub-Fund's reference currency is EUR.

### 3.8. NET ASSET VALUE

The Valuation Day will be each Business Day. The NAV will be dated as of each Business Day calculated on the following Business Day.

If this day is not a Business Day the NAV shall be calculated on the next business Day.

### 3.9. CLASSES OF SHARES

The Sub-Fund is offering the following Classes of Shares:

Class of Shares	A EUR	A USD	I EUR
Isin Code	LU1877826609	LU2737753660	LU1877827086
Currency	EUR	USD	EUR
Dividend Distribution	Capitalisation	Capitalisation	Capitalisation
Minimum Initial Subscription amount	N/A	N/A	N/A
Minimum Subsequent Subscription amount	N/A	N/A	N/A
Minimum holding	N/A	N/A	N/A
Listing on Luxembourg Stock exchange	NO	NO	NO

**Class of Shares I** is open only for subscriptions by Institutional Investors, Professional Investors and investors receiving advisory services or discretionary investment management services as defined by the MiFID II Directive and having separate fee arrangements in relation to those services and activities.

**Class of Shares A** is only offered to retail investors.

### **3.10. SUBSCRIPTIONS**

#### **INITIAL SUBSCRIPTIONS**

<b>Class of Shares</b>	<b>Initial subscription periods</b>	<b>Subscription Price</b>
Class A EUR	27 <sup>th</sup> May 2020	EUR 100
Class A USD	N/A	N/A
Class I EUR	31 <sup>st</sup> August 2018 to 3 <sup>rd</sup> September 2018	EUR 100

#### **SUBSEQUENT SUBSCRIPTIONS**

Subscription for Shares shall be accepted on each Valuation Day. Subscription requests received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the Valuation Day, will be dealt at such Valuation Day. Any application received after 12.00 p.m. (Luxembourg time) on a Valuation Day, will be dealt at the following Valuation Day.

Payment of the subscription price shall be made at the latest on the third (3) Business Day following the applicable Valuation Day in the reference currency of the Class of Shares.

### **3.11. CONVERSION BETWEEN CLASS OF SHARES AND SUB-FUNDS**

Shareholders may request conversion of Shares of any Class of Shares of this Sub-Fund into Shares of any another Class of Shares of this Sub-Fund or Shares of a Class of Shares in another Sub-Fund (if any), provided that no suspension of the NAV has occurred and provided the Shareholder meets the eligibility requirement of the Class of Shares.

The conversion request will have to be received by the Registrar Agent before 12.00 p.m. on the applicable Valuation Day, at a rate calculated by reference to the price of the Shares of the concerned Sub-Fund or Class of Shares determined as at that day.

### **3.12. REDEMPTION OF SHARES**

Shares may be redeemed with reference to each Valuation Day.

Redemption requests must be received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the applicable Valuation Day. Redemption requests received after that specific deadline will be treated as at the NAV per Share determined on the following Valuation Day.

Payment of the redemption price shall be made not later than the third (3) Business Day following the applicable Valuation Day in the reference currency of the Class of Shares.

### **3.13. FEES**

#### **INVESTMENT MANAGER**

The Management Company has not delegated the investment management function of the Sub-Fund as at the date of the present Prospectus.

Altex Asset Management, S.G.I.I.C., S.A. will receive, as described in the below table, an investment management fee which is payable at the end of each month and calculated on the average total net assets of the Class of Shares.

The Management Company may be entitled to the payment of an additional commission linked to the

performance of a Class of Shares during each Calculation Period. Such additional commission, calculated on the outstanding Shares of the relevant Sub-Fund, is fixed by applying the rate indicated in the Fee Structure table below to the increase of the NAV per Share of the relevant year end compared to the highest historical NAV at year end of the previous 5 years (Reference NAV). In the event that the Fund has not received a performance fee for 5 years, the high watermark (Reference NAV) will be reset to the highest NAV of the previous 5 years.

The performance fee calculation is based on the NAV after deducting all expenses and fees (except the performance fee), and adjusting for subscriptions, redemptions, and conversions (if applicable) on the relevant Valuation Day so that these will not affect the payable Performance Fee. The daily NAV published by the Administrative Agent is net of all costs and fees.

For these purposes:

- “Reference NAV” means the highest historical NAV per Share calculated at year end of the previous 5 years.
- “Valuation Day” means a Business Day as of which the Net Asset Value (NAV) is dated. The NAV is dated as of each Valuation Day and calculated on the next Business Day based on the closing prices of that Valuation Day.
- “Calculation Period” means a calendar year, starting on January 1 and ending on December 31. For new Classes of Shares, the Calculation Period will begin on the day of the launch of such new Class of Shares and will end on December 31 of that same year.
- “High watermark” means the highest historical NAV at year end. In the event that the Management Company has not received a performance fee for 5 years, the high watermark will be reset to the highest NAV of the previous 5 years.

**Performance Fee Crystallisation:**

The performance fee will be accrued on each Valuation Day and will crystallise and become payable to the Management Company yearly in arrears.

Performance fee is crystallised each year at the end of the Calculation Period.

**Subscriptions:**

In case of subscriptions, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To complete this adjustment, the performance of the NAV against the Reference NAV at the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. These adjustments are cumulated during the relevant Calculation Period and are adjusted in case of subsequent redemptions during the period.

**Redemptions and Conversions:**

In case of redemptions or conversions into Shares in another Sub-Fund and/or Class of Shares during the Calculation Period, the performance fee accrued in respect of those redeemed or converted Shares is crystallised and becomes payable to the Management Company, prior to the redemption/conversion taking place.

**Performance fee calculation example:**

Below is an example of the performance fee that would hypothetically accrue over a 9 year period. For the sake of clarity, this example does not give an exhaustive view on retreatment of capital movements (i.e., subscriptions and redemptions).

A	B	C	D	E	F
Year	Year End NAV before PF	High Watermark	PF to pay (Y/N): if B>C	Payable PF: (B-C)*10%	Year End NAV Post PF
1	110	100.0	Y	1.0	109.0
2	115	109.0	Y	0.6	114.4
3	112	114.4	N	-	112.0
4	110	114.4	N	-	110.0
5	108	114.4	N	-	108.0
6	111	114.4	N	-	111.0
7	112	114.4	N	-	112.0
8	113	112.0	Y	0.1	112.9
9	110	112.9	N	-	110.0

**SUMMARY OF THE FEE STRUCTURE**

Class of Shares	A EUR	A USD	I EUR
Max. Subscription Fee	2.5%	2.5%	2.5%
Redemption Fee	0%	0%	0%
Conversion Fee	0%	0%	0%
Investment Management Fee (per annum)	1.15%	1.15%	1.15%%
Performance Fee (rate of Reference NAV)	10%	10%	-
Subscription Tax (Taxe d'abonnement)	0.05%	0.05%	0.01%

**3.14. HISTORICAL PERFORMANCE**

Historical performance of the Sub-Fund can be found in the relevant KIIDS available for each Class of Shares.

The historical performance is not an indication of future results. The performance data do not take account of the commissions and costs incurred on the issue and redemption of Shares of the Fund.

**3.15. SFTR REGULATION**

The Sub-Fund will not enter into securities lending and borrowing transactions and/or repurchase agreements (repo) and reverse repo or any securities financing transactions, or total return swaps, within the meaning of the EU Regulation 2015/2365 on transparency of securities financing transactions ("SFTR").

### **3.16. SFDR DISCLOSURE**

The Altex Quality Sub-Fund is classified under Article 6, according to EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”).

While the Altex Quality Sub-Fund, does not promote environmental or social characteristics, or a combination of those characteristics according to Article 8 of SFDR, and does not have sustainable investment as its objective according to Article 9 of SFDR, sustainability considerations are integrated into the investment decision-making process by assessing the environmental and social characteristics of the companies and UCIs in which investments may be made. It should also be noted that the sustainability risks that the Sub-Fund may be subject to are likely to have an immaterial impact on the value of the Sub-Fund’s investments.

The assessment of the environmental and social characteristics of the companies and UCIs in which investments may be made is carried out using rating data provided by third-party data sources (such as MSCI or Bloomberg). These ratings use rules-based methodology designed to measure a company’s resilience to long-term, industry material environmental, social and governance (ESG) risks. Companies are rated on a scale according to their exposure to industry-material ESG risks and their ability to manage those risks relative to peers. These ratings aim to measure a company’s resilience to long-term, financially relevant ESG risks. Material risks and opportunities for each industry are identified through a quantitative model that looks at ranges and average values for each industry for externalized impacts such as carbon intensity, water intensity, and injury rates. Once identified, these key indicators are assigned to each industry and company.

The Sub-Fund’s sustainability criterion will be met by companies that follow good governance practices and are granted the minimum rating established by the Management Company from time to time. For companies lacking a rating by third party providers, the Management Company will perform a qualitative analysis and will assign an internal rating.

It should be noted that ESG data may be difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. In addition, even when such data is identified and obtained, as with any data, there can be no guarantee that ESG data will be correctly assessed. As a consequence, the assessment of unrated investments will be carried out by the Management Company on a best effort basis. This review will include an analysis of the business model and financials; the sector and value chain; the long-term dynamics and risks of the company’s growth; and the sustainability risks.

Where ESG data is unavailable, considered insufficient or inaccurate and the ESG assessment cannot be carried out by the Management Company for a particular investment –that otherwise does meet its investment criterion– such underlying investment will be classified as non-aligned for the purposes of the Taxonomy Regulation. In addition, due to the lack of reliable methodologies to determine to what extent exposures achieved through derivatives are exposures to environmentally sustainable economic activities, such exposures are considered non-aligned when assessing the Sub-Fund’s alignment.

Therefore, although the Management Company has integrated sustainability considerations into the investment decision-making process, the investments underlying the Sub-Fund may not take into account the EU criteria for environmentally sustainable economic activities.

### **3.17. BENCHMARK INDEX**

The Sub-Fund has an active investment strategy and is not managed in reference to a benchmark.

## **4. ALTEX TACTICAL**

### **4.1. INVESTMENT OBJECTIVE**

The Sub-Fund aims to generate long term capital appreciation and preservation by actively managing the portfolio's beta exposure through a concentrated portfolio of asset classes with different beta characteristics, while seeking to contain volatility and risk with complementary investment and beta hedging strategies. However, there is no guarantee or representation that the objective of the Sub-Fund will be achieved.

### **4.2. INVESTMENT POLICY**

The Sub-Fund will invest mainly, either directly or through derivatives (including futures, options both listed and OTC), in equity indices and equity related instruments, volatility (that is, the CBOE Volatility Index (VIX), a real-time index representing the market's expectations for the relative strength of near-term price changes of the S&P 500 Index (SPX)) and volatility (VIX) related instruments (such as options and futures), dividend related instruments, corporate and government bonds and debt-related securities, ETFs (Exchange Traded Funds, that is, a basket of securities that trades on an exchange just like a stock does) and ETNs (Exchange Traded Notes, that is, unsecured debt security that track an underlying index of securities).

The Sub-Fund may also invest in money market instruments as they are an integral part of the investment strategy.

Up to 20% of the Sub-Fund's net assets may be held in ancillary liquid assets, which will be limited to bank deposits at sight and cash, in accordance with point I.3 of Section 2.2 Investment restrictions of the Prospectus. However, if the Management Company considers that exceptional market conditions such as market crises, may entail a risk of permanent loss of capital, up to 100% of the Sub-Fund's net assets may be temporarily invested in such ancillary liquid assets for a strictly necessary period of time. Once the exceptional market conditions that triggered the use of this strategy are solved, the Management Company will take the necessary steps to adjust portfolio investments to the normal levels.

The Sub-Fund may also invest up to 10% of its net assets in other UCIs and UCITS.

The Sub-Fund will make an extensive use of derivatives for investment, hedging and efficient portfolio management purposes.

### **4.3. INVESTMENT STRATEGY**

The investment management team will combine quantitative and discretionary analysis techniques to obtain a superior risk-adjusted exposure to risk assets over a full business cycle. Exposure to risk assets will be highly flexible and adaptative to market risk assessment. The Sub-Fund can diversify risk among various strategies and asset classes to enhance portfolio diversification and resilience (equity, volatility, dividends, corporate and government credit, interest rates and currency, and/or cash/monetary instruments).

The Sub-Fund seeks to dynamically adapt portfolio exposure to risk assets based on a pragmatic approach to risk analysis by combining several market risk indicators into a single proprietary risk measure (Altex Risk Thermometer) that produces timely alerts of market stress and the potential severity and likelihood of a market drawdown in the near future (next 1 to several days). The Altex Risk

Thermometer analyses and monitors around 12 financial assets or indexes, which are considered to be traded by professional investors. The readings on the Altex Risk Thermometer range from 0 to 100, where:

- 0-60 indicates a low probability of imminent market drawdowns,
- 60-90 indicates a high probability of imminent market drawdowns, and
- 90-100 indicates an extremely high probability of imminent market drawdowns.

The Altex Risk Thermometer is a supporting tool and the Investment Manager takes the investment choices at his discretion: readings will be used to timely add or reduce market risk through diversified instruments. Moreover, a global dynamic and adaptive risk management overlay may be executed to enhance portfolio resilience and effective diversification among instruments and strategies, with the objective of keeping the VaR within the limits established in paragraph 4.4 Global Risk Exposure, below.

The Sub-Fund may switch, dynamically and over a very short timeframe (within one or several days), any of its different strategies among three (3) different risk profiles:

- 1) High Risk: Global portfolio risk may show high correlation to equity and negative correlation to equity market volatility when our proprietary Thermometer readings indicate a low imminent drawdown risk.
- 2) Low Risk: Global portfolio risk may show low to moderate positive correlation to equity, low to moderate negative correlation to equity market volatility and above average exposure to government bonds and or cash instruments when Altex Risk Thermometer readings indicate a high probability of imminent drawdown risk.
- 3) Short Risk: Global portfolio risk may show negative correlation to equity and positive correlation to volatility instruments when Thermometer readings indicate an extremely high probability of imminent drawdown risk.

Additional characteristics of the Investment process:

- Flexible approach to asset and strategy allocation to take advantage of global trends through traditional and non-traditional assets.
- No geographical area nor economic sector constraints.
- Implied and historical volatility ongoing analysis to exploit market opportunities through different volatility-linked strategies.

#### **4.4. GLOBAL RISK EXPOSURE**

The global exposure to non-derivative instruments and the global exposure to financial derivative instruments for speculative and hedging purposes, is determined by the Absolute Value-at-Risk Approach and limited to 20% of VaR.

The global exposure of the Sub-Fund is calculated and monitored under the Absolute VaR approach. The Absolute VaR limits the maximum VaR that the Sub-Fund can have relative to its NAV. The Absolute VaR of the Sub-Fund cannot exceed 20% of its NAV, on the basis of a one-sided confidence interval of ninety-nine percent (99%) and a holding period of twenty (20) days. It is not expected that the VaR of

the Sub-Fund will exceed 15%.

The level of leverage of the Sub-Fund, gained from the use of derivative strategies to hedge equity and currency exposure, is defined as the sum of absolute values of the derivatives notional (with neither netting nor hedging arrangement) divided by NAV, and is not expected to exceed three hundred percent (300%). A Sub-Fund's expected level of leverage is an indicative level not a regulatory limit and the actual level may exceed the expected level from time to time. However, the Sub-Fund's use of derivatives will remain consistent with its investment objective and policies and risk profile and will comply with its VaR limit as set out above.

#### **4.5. RISK PROFILE OF THE INVESTOR**

This Sub-Fund is aimed at investors wishing to diversify their portfolio by investing in an actively managed portfolio to achieve sound capital appreciation by gaining exposure to risk assets with a tactical approach in a timely manner when Altex Risk Thermometer shows a higher probability of short-term market positive returns. Investors should expect rapid and active changes in the risk profile of the portfolio. Maximum Sub-Fund's drawdowns are expected to be lower than global equity maximum drawdowns, but they will not necessarily occur in a synchronized or correlated way. The portfolio's correlation to equity and volatility may change over time from positive to negative and vice versa so variations in equity and volatility markets may trigger gains or losses in the portfolio depending on its actual risk profile at such point in time. The investor must tolerate a high level of discretionary active management in risk assets.

With the extensive use of derivatives, the average volatility of the Sub-Fund will be similar to that of equity funds in bull market conditions, and will be substantially reduced in bear markets, keeping long term average volatility at moderate levels. In addition, maximum drawdowns will be lowered to 50% of the maximum fall in equity indices. Therefore, it is considered that this investment offers a moderate level of risk on the basis of an investment horizon of at least three (3) years.

#### **4.6. SPECIFIC RISK WARNING**

The Sub-Fund is subject to investment risks and other associated risks from the techniques and securities it uses to seek to achieve its objective.

##### ***Risks related to investments in Derivatives***

###### **Leverage Risk**

Because of the low margin deposits normally required in managing derivative instruments, an extremely high degree of leverage is typical. As a result, a relatively small price movement in a derivative contract may result in substantial losses to the Sub-Fund. Investment in derivative transactions may result in losses in excess of the amount invested.

###### **Risks of Exchange Traded Derivative Transactions**

Securities exchange or commodities contract markets typically have the right to suspend or limit trading in all securities or commodities which it lists. Such a suspension would render it impossible for the Sub-Fund, to liquidate positions and, accordingly, expose it to losses and delays in its ability to redeem Shares.

### **Risks of OTC Derivative Transactions**

Absence of regulation and counterparty default. In general, there is less governmental regulation and supervision of transactions in the OTC markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges may not be available in connection with OTC transactions. Regardless of the measures the Sub-Fund may use to reduce counterparty credit risk, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses as a result.

### **Liquidity and requirement to perform**

The counterparties with which the Sub-Fund effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Sub-Fund might be unable to enter into a desired transaction in currencies, credit default swaps or total return swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, forward, spot and option contracts on currencies do not provide the possibility to offset obligations through an equal and opposite transaction. As a consequence, in entering into forward, spot or options contracts, the Sub-Fund may be required, and must be able, to perform its obligations under the contracts.

### **Necessity for counterparty trading relationships**

As noted above, participants in the OTC market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While it is believed that the Fund will be able to establish multiple counterparty business relationships to permit the Sub-Fund to operate in the OTC market and other counterparty markets, there can be no assurance that it will be able to do so. Such inability to establish or maintain these relationships would potentially increase the Sub-Fund's counterparty credit risk, limit its operations and could require it to cease investment operations or conduct a substantial portion of such operations in the futures markets.

### ***Risks related to investments in commodities (including commodities indices)***

Commodities, to which some of the Sub-Funds may be exposed, are assets that have tangible properties, such as oil, metals, and agricultural products. An exposure to commodities may not be suitable for all investors. Commodities and commodity-linked securities and derivatives may be subject to heightened risks and may be affected by overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, and international economic, regulatory, and political developments, as well as the trading activity of speculators and arbitrageurs in the underlying. The commodity markets (including the markets for commodity-linked securities and derivatives) may be subject to a degree of volatility that may prove higher than in equity or bond markets due to their sensitivity to the development of commodity prices and their substantial exposure to emerging markets.

### ***Foreign exchange Risk***

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

In addition, a Share Class that is denominated in a Reference Currency other than the Reference Currency of the Sub-Fund exposes the investor to the risk of fluctuations between the Reference Currency of the Share Class and that of the Sub-Fund. Currency hedged Share Classes seek to limit the impact of such fluctuations through currency hedging transactions. However, there can be no

assurance that the currency hedging policy will be successful at all times. This exposure is in addition to foreign exchange risk, if any, incurred by the Sub-Fund with respect to investments denominated in other currencies than its Reference Currency, as described above.

### ***Liquidity Risk***

The markets for some securities and instruments may have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Sub-Fund, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. Liquidity risk refers to the inability of the Sub-Fund to dispose of investments at a price equal or close to their estimated value within a reasonable period of time, and to its inability to raise sufficient cash to meet a redemption request due to its inability to dispose of investments.

In certain circumstances, investments may become less liquid or illiquid due to different factors including adverse conditions affecting a particular issuer, counterparty, or the market generally, and legal, regulatory or contractual restrictions on the sale of certain instruments. In addition, the Sub-Fund may invest in financial instruments traded over-the-counter, which generally tend to be less liquid than instruments that are listed and traded on exchanges. Market quotations for less liquid or illiquid instruments may be more volatile than for liquid instruments and/or subject to larger spreads between bid and ask prices. Difficulties in disposing of investments may result in a loss for the Sub-Fund and/or compromise its ability to meet a redemption request.

### ***Risks related to investments in equities***

Equities and securities of a share-like character are subject to strong price fluctuations as they are influenced by the performance of individual companies and sectors as well as by macro-economic and political developments and perspectives, which determine the expectations of the securities markets and thus the movement of prices. Factors affecting the value of securities in some markets and under certain situations cannot be determined easily and the value of such investments may decline or be reduced to zero.

### ***Other associated risks***

There are further risks the Sub-Fund is exposed to from its use of the techniques and securities above:

- Credit risk
- Currency risk
- Interest rate risk
- Liquidity risk
- Market risk
- Volatility risk

### ***Outcome to Shareholders***

- The potential impacts of the risks above are as follows: Loss: Shareholders could lose some or all their investment
- Volatility: Shares of the Sub-Fund will fluctuate in value
- Failure to meet the Sub-Fund's objective.

## **4.7. REFERENCE CURRENCY**

The Sub-Fund' reference currency is EUR.

#### 4.8. NET ASSET VALUE

The Valuation Day will be each Business Day. The NAV will be dated as of each Business Day calculated on the following Business Day.

If this day is not a Business Day the NAV shall be calculated on the next Business Day.

#### 4.9. CLASSES OF SHARES

The Sub-Fund is offering the following Classes of Shares:

<b>Class of Shares</b>	<b>A EUR</b>	<b>A USD</b>	<b>I EUR</b>
Isin Code	LU2737753157	LU2737753231	LU2737753405
Currency	EUR	USD	EUR
Dividend Distribution	Capitalisation	Capitalisation	Capitalisation
Minimum Initial Subscription amount	N/A	N/A	N/A
Minimum Subsequent Subscription amount	N/A	N/A	N/A
Minimum holding	N/A	N/A	N/A
Listing on Luxembourg Stock exchange	NO	NO	NO

Class of Shares A is only offered to retail investors.

Class of Shares I is open only for subscriptions by Institutional Investors, Professional Investors and investors receiving advisory services or discretionary investment management services as defined by the MiFID II Directive and having separate fee arrangements in relation to those services and activities.

#### 4.10. SUBSCRIPTIONS

##### INITIAL SUBSCRIPTIONS

<b>Class of Shares</b>	<b>Initial subscription periods</b>	<b>Subscription Price</b>
Class A EUR	20 <sup>th</sup> December 2023 to 2 <sup>nd</sup> January 2024	EUR 100
Class A USD	20 <sup>th</sup> December 2023 to 2 <sup>nd</sup> January 2024	USD 100
Class I EUR	20 <sup>th</sup> December 2023 to 2 <sup>nd</sup> January 2024	EUR 100

##### SUBSEQUENT SUBSCRIPTIONS

Subscription for Shares shall be accepted on each Valuation Day. Subscription requests received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the Valuation Day, will be dealt at such Valuation Day. Any application received after 12.00 p.m. (Luxembourg time) on a Valuation Day, will be dealt at the following Valuation Day.

Payment of the subscription price shall be made at the latest on the third (3) Business Day following the applicable Valuation Day in the reference currency of the Class of Shares.

#### **4.11. CONVERSION BETWEEN CLASS OF SHARES AND SUB-FUNDS**

Shareholders may request conversion of Shares of any Class of Shares of this Sub-Fund into Shares of any another Class of Shares of this Sub-Fund or Shares of a Class of Shares in another Sub-Fund (if any), provided that no suspension of the NAV has occurred and provided the Shareholder meets the eligibility requirement of the Class of Shares.

The conversion request will have to be received by the Registrar Agent before 12.00 p.m. on the applicable Valuation Day, at a rate calculated by reference to the price of the Shares of the concerned Sub-Fund or Class of Shares determined as at that day.

#### **4.12. REDEMPTION OF SHARES**

Shares may be redeemed with reference to each Valuation Day.

Redemption requests must be received by the Registrar Agent before 12.00 p.m. (Luxembourg time) on the applicable Valuation Day. Redemption requests received after that specific deadline will be treated at the NAV per Share determined on the following Valuation Day.

Payment of the redemption price shall be made not later than the third (3) Business Day following the applicable Valuation Day in the reference currency of the Class of Shares.

#### **4.13. FEES**

##### **INVESTMENT MANAGER**

The Management Company has not delegated the investment management function of the Sub-Fund as at the date of the present Prospectus.

Altex Asset Management, S.G.I.I.C., S.A.U. will receive, as described in the below table, an investment management fee which is payable at the end of each month and calculated on the average total net assets of the Class of Shares.

The Management Company may be entitled to the payment of an additional commission linked to the performance of a Class of Shares during each Calculation Period. Such additional commission, calculated on the outstanding Shares of the relevant Sub-Fund, is fixed by applying the rate indicated in the Fee Structure table below to the increase of the NAV per Share of the relevant year end compared to the highest historical NAV at year end of the previous 5 years (Reference NAV). In the event that the Fund has not received a performance fee for 5 years, the high watermark (Reference NAV) will be reset to the highest NAV of the previous 5 years.

The performance fee calculation is based on the NAV after deducting all expenses and fees (except the performance fee), and adjusting for subscriptions, redemptions, and conversions (if applicable) on the relevant Valuation Day so that these will not affect the payable Performance Fee. The daily NAV published by the Administrative Agent is net of all costs and fees.

For these purposes:

- “Reference NAV” means the highest historical NAV per Share calculated at year end of the previous 5 years.

- “Valuation Day” means a Business Day as of which the Net Asset Value (NAV) is dated. The NAV is dated as of each Valuation Day and calculated on the next Business Day based on the closing prices of that Valuation Day.
- “Calculation Period” means a calendar year, starting on January 1 and ending on December 31. For new Classes of Shares, the Calculation Period will begin on the day of the launch of such new Class of Shares and will end on December 31 of that same year.
- “High watermark” means the highest historical NAV at year end. In the event that the Management Company has not received a performance fee for 5 years, the high watermark will be reset to the highest NAV of the previous 5 years.

#### Performance Fee Crystallisation:

The performance fee will be accrued on each Valuation Day and will crystallise and become payable to the Management Company yearly in arrears.

Performance fee is crystallised each year at the end of the Calculation Period.

#### Subscriptions:

In case of subscriptions, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To complete this adjustment, the performance of the NAV against the Reference NAV at the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed Shares by the positive difference between the subscription price and the Reference NAV at the date of the subscription. These adjustments are cumulated during the relevant Calculation Period and are adjusted in case of subsequent redemptions during the period.

#### Redemptions and Conversions:

In case of redemptions or conversions into Shares in another Sub-Fund and/or Class of Shares during the Calculation Period, the performance fee accrued in respect of those redeemed or converted Shares is crystallised and becomes payable to the Management Company, prior to the redemption/conversion taking place.

#### Performance fee calculation example:

Below is an example of the performance fee that would hypothetically accrue over a 9 year period. For the sake of clarity, this example does not give an exhaustive view on retreatment of capital movements (i.e., subscriptions and redemptions).

A	B	C	D	E	F
Year	Year End NAV before PF	High Watermark	PF to pay (Y/N): if B>C	Payable PF: (B-C)*10%	Year End NAV Post PF
1	110	100.0	Y	1.0	109.0
2	115	109.0	Y	0.6	114.4
3	112	114.4	N	-	112.0
4	110	114.4	N	-	110.0
5	108	114.4	N	-	108.0
6	111	114.4	N	-	111.0
7	112	114.4	N	-	112.0
8	113	112.0	Y	0.1	112.9
9	110	112.9	N	-	110.0

#### SUMMARY OF THE FEE STRUCTURE

Class of Shares	A EUR	A USD	I EUR
Max. Subscription Fee	2.5%	2.5%	2.5%
Redemption Fee	0%	0%	0%
Conversion Fee	0%	0%	0%
Investment Management Fee (per annum)	1.75%	1.75%	1.25%
Performance Fee (rate of Reference NAV)	10%	10%	10%
Subscription Tax (Taxe d'abonnement)	0.05%	0.05%	0.1%

#### 4.14. HISTORICAL PERFORMANCE

Historical performance of the Sub-Fund can be found in the relevant KIIDS available for each Class of Shares.

The historical performance is not an indication of future results. The performance data does not take into account the commissions and costs incurred on the issue and redemption of Shares of the Fund.

#### 4.15. SFTR REGULATION

The Sub-Fund will not enter into securities lending and borrowing transactions and/or repurchase agreements (repo) and reverse repo or any securities financing transactions, or total return swaps, within the meaning of the EU Regulation 2015/2365 on transparency of securities financing transactions ("SFTR").

#### 4.16. SFDR DISCLOSURE

The Altex Tactical Sub-Fund is classified under Article 6, according to EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").

While the Altex Tactical Sub-Fund, does not promote environmental or social characteristics, or a combination of those characteristics according to Article 8 of SFDR, and does not have sustainable investment as its objective according to Article 9 of SFDR, sustainability considerations are integrated into the investment decision-making process by assessing the environmental and social characteristics

of the companies and UCIs in which investments may be made. It should also be noted that the sustainability risks that the Sub-Fund may be subject to are likely to have an immaterial impact on the value of the Sub-Fund's investments.

The assessment of the environmental and social characteristics of the companies and UCIs in which investments may be made is carried out using rating data provided by third-party data sources (such as MSCI or Bloomberg). These ratings use rules-based methodology designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. Companies are rated on a scale according to their exposure to industry-material ESG risks and their ability to manage those risks relative to peers. These ratings aim to measure a company's resilience to long-term, financially relevant ESG risks. Material risks and opportunities for each industry are identified through a quantitative model that looks at ranges and average values for each industry for externalized impacts such as carbon intensity, water intensity, and injury rates. Once identified, these key indicators are assigned to each industry and company.

The Sub-Fund's sustainability criterion will be met by companies that follow good governance practices and are granted the minimum rating established by the Management Company from time to time. For companies lacking a rating by third party providers, the Management Company will perform a qualitative analysis and will assign an internal rating.

It should be noted that ESG data may be difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. In addition, even when such data is identified and obtained, as with any data, there can be no guarantee that ESG data will be correctly assessed. As a consequence, the assessment of unrated investments will be carried out by the Management Company on a best effort basis. This review will include an analysis of the business model and financials; the sector and value chain; the long-term dynamics and risks of the company's growth; and the sustainability risks.

Where ESG data is unavailable, considered insufficient or inaccurate and the ESG assessment cannot be carried out by the Management Company for a particular investment –that otherwise does meet its investment criterion– such underlying investment will be classified as non-aligned for the purposes of the Taxonomy Regulation. In addition, due to the lack of reliable methodologies to determine to what extent exposures achieved through derivatives are exposures to environmentally sustainable economic activities, such exposures are considered non-aligned when assessing the Sub-Fund's alignment.

Therefore, although the Management Company has integrated sustainability considerations into the investment decision-making process, the investments underlying the Sub-Fund may not take into account the EU criteria for environmentally sustainable economic activities.

#### **4.17. BENCHMARK INDEX**

The Sub-Fund has an active investment strategy and is not managed in reference to a benchmark.