

MUTUACTIVOS INTERNATIONAL SICAV

Société d'investissement à capital variable (SICAV)

an undertaking for collective investment in transferable securities (UCITS) in the form of an open-ended investment company with variable share capital

subject to the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended

Prospectus

February 2026

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1. INTRODUCTION

This Prospectus contains information about **MUTUACTIVOS INTERNATIONAL SICAV** that a prospective investor should consider before investing in the Fund and should be retained for future reference.

The Fund is a public limited company (*société anonyme*) incorporated on 27 March 2025 under the laws of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund has been authorised by the *Commission de Surveillance du Secteur Financier* (CSSF) which is the Luxembourg supervisory authority of the financial sector. However, such authorisation does not require the CSSF to approve or disapprove either the adequacy or accuracy of this Prospectus or the portfolio of assets held by the Fund. Any declaration to the contrary should be considered as unauthorised and illegal.

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Shares in the Fund are shares in a specific Sub-Fund. The Fund may issue Shares of different Share Classes in each Sub-Fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of investors. Investors should refer to the Supplement for further information on characteristics of Share Classes.

The Fund is registered with the Luxembourg Trade and Companies Register under number B295606. The latest version of the Articles of Association was published on the *Recueil électronique des sociétés et associations* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg on 16 April 2025.

This Prospectus is based on information, law and practice 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 The Fund cannot be bound by an out of date prospectus when it has issued a new prospectus, and investors should check on the website of the Management Company (www.luxcellence.com) that this is the most recently published prospectus. Neither delivery of the Prospectus nor anything stated herein should be taken to imply that any information contained herein is correct as of any time subsequent to the date hereof. The information contained in this Prospectus is supplemented by the financial statements and further information contained in the latest Annual Report and Semi-Annual Report of the Fund available on the website of the Management Company (www.luxcellence.com).

No distributor, agent, salesman or other person has been authorised to give any information or to make any representation other than those contained in the Prospectus and in the documents referred to herein in connection with the offer of Shares and, if given or made, such information or representation must not be relied upon as having been authorised.

The distribution of the Prospectus and/or the offer and sale of the Shares in certain jurisdictions or to certain investors may be restricted or prohibited by law. The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of any persons wishing to make an application for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. No Shares may be acquired or held by, on behalf or for the account or benefit of, Prohibited

Persons. In particular, the Board of Directors has decided that US Persons be considered as Prohibited Persons.

The Shares have not been registered under the United States Securities Act of 1933 (the “**1933 Act**”), and the Fund has not been registered under the United States Investment Company Act of 1940 (the “**1940 Act**”). The Shares may not be offered directly or indirectly in the United States of America (including its territories and possessions) to or for the benefit of a “US Person” as defined hereinafter.

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into the languages specified by the regulatory authorities of those jurisdictions. In case of inconsistency between the translated and the English version of this Prospectus, the English version shall prevail.

The Fund must comply with applicable international and Luxembourg laws and regulations regarding anti-money laundering and counter-terrorist financing (“**AML/CFT**”). In particular, AML/CFT measures in force in Luxembourg require the Fund (or its agent acting on its behalf) to establish and verify, amongst others, the identity of subscribers for Shares (as further described below in section 8.11 of the Prospectus) and to monitor the relationship on an ongoing basis. Failure to provide information or documentation may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisers to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

THE VALUE OF THE SHARES MAY FALL AS WELL AS RISE AND AN INVESTOR MAY NOT GET BACK THE AMOUNT INITIALLY INVESTED. INVESTING IN THE FUND INVOLVES RISK INCLUDING THE POSSIBLE LOSS OF CAPITAL.

2. DIRECTORY

Registered office of the Fund

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

Board of Directors

Luis Ussía Bertrán (Chairman)
Chief Executive Officer, Mutuactivos, S.A.U.,
SGIIC

Maria Luisa Piñel Rubio
Head of Compliance, Mutuactivos, S.A.U., SGIIC

Jaime Gómez-Ferrer Rincón
Independent Director

Management Company

Luxcellence Management Company S.A.
2, rue Jean l'Aveugle
L-1148 Luxembourg
Grand Duchy of Luxembourg

Board of Directors of the Management Company

Carole Etienvre, Director
Jean-Luc Jacquemin, Independent Director
Grégory Cabanetos, Managing Director
Aurélien Veil, Director

Conducting Officers of the Management Company

Grégory Cabanetos, Managing Director
Pascal Pira, Conducting Officer
Armelle Conti, Conducting Officer
Gérald Stadelmann, Conducting Officer

Auditor

PricewaterhouseCoopers
2, rue Gerhard Mercator
L-2182 Luxembourg
Grand Duchy of Luxembourg

Depositary

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Administrator and Domiciliary Agent

CACEIS Bank, Luxembourg Branch
5, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Investment Manager

Mutuactivos S.A.U., S.G.I.I.C.
Paseo de la Castellana, 33
E-28046 Madrid
Spain

Global Distributor

Mutuactivos Inversiones AV, S.A.U.
Paseo de la Castellana, 33
E-28046 Madrid
Spain

Legal adviser as to matters of Luxembourg law

Arendt & Medernach SA
41A, avenue J.F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

3. DEFINITIONS

1915 Law	the Luxembourg law of 10 August 1915 on commercial companies, as amended.
1993 Law	the Luxembourg law of 5 April 1993 on the financial sector, as amended.
2004 Law	the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended.
2010 Law	the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended.
Administration Agreement	the agreement entered into between the Fund, the Management Company and the Administrator governing the appointment of the Administrator, as may be amended or supplemented from time to time.
Administrator	the central administration, registrar and transfer agent appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and the Administration Agreement, as identified in the Directory.
AML/CFT Regulations	is defined in section 8.11 of this Prospectus.
Annual Report	the report issued by the Fund as of the end of the latest financial year in accordance with the 2010 Law.
Articles of Association	the articles of association of the Fund, as amended.
ATAD I	the Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market.
ATAD II	the Council Directive (EU) 2017/952 of 29 May 2017 amending ATAD I as regards hybrid mismatches with third countries.
BEPS	Base Erosion and Profit Shifting.
Benchmarks Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended.
Board of Directors	the board of directors of the Fund, whose members at the date of this Prospectus are defined in the Directory.

Brussels Ibis Regulation	Regulation (EU) No 1215/2015 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast).
Business Day	any day on which banks are open the whole day for non-automated business in Luxembourg and in such other countries or cities as may be specified for a Sub-Fund or Share Class in a Supplement.
Capitalisation Shares	Shares with respect to which the Fund does not intend to distribute dividends.
CNMV	the <i>Comisión Nacional del Mercado de Valores</i> , the Spanish National Securities Market Commission.
Conversion Day	the day or days on which Original Shares may be converted into New Shares, being a day which is a Redemption Day for the Original Shares and, if that day is not a Subscription Day for the New Shares, the day which is the immediately following Subscription Day for the New Shares, provided that the Cut-Off Time for a Conversion Day shall be the earlier of the Cut-Off Time for redemption of the Original Shares on that Redemption Day and the Cut-Off Time for subscription to the New Shares on that Subscription Day. For the avoidance of doubt, the Conversion Day may be a different day for the Original Shares and the New Shares.
Conversion Fee	a fee which the Fund may charge upon conversion of Shares and which is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.
Conversion Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the conversion of all or part of his Shares.
Covered Bonds Directive	Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU.
CRS	the Common Reporting Standard for Automatic Exchange of Financial Account Information in Tax Matters as set out in the CRS Law.
CRS Information	personal and financial information as exhaustively set out in Annex I of the CRS Law.

CRS Law	the Luxembourg law of 18 December 2015 on the CRS, as amended, implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016.
CSSF	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector.
Cut-Off Time	for any Subscription Day, Redemption Day or Conversion Day, the day and time by which an application for subscription, redemption or conversion, as applicable, must in principle be received by the Fund in order for the application to be processed, if accepted, by reference to the Net Asset Value per Share calculated as of that Subscription Day, Redemption Day or Conversion Day, as applicable. The Cut-Off Time is specified for each Sub-Fund or Share Class in the Supplement.
DAC 6	the Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU ("DAC") as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements, as may be amended from time to time.
DAC 6 Law	the Luxembourg law of 25 March 2020, as amended, implementing DAC 6.
Data Protection Laws	means the EU Regulation n°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 "GDPR") and any applicable national data protection laws (including but not limited to the Luxembourg law of 1st August 2018 organising the National Commission for Data Protection (<i>Commission Nationale pour la Protection des Données</i> , the "CNPD") and the general system on data protection, as amended from time to time), as amended.
Depository	the depository bank appointed by the Fund in accordance with the provisions of the 2010 Law and the Depository Bank Agreement, as identified in the Directory.
Depository Bank Agreement	the agreement entered into between the Fund and the Depository governing the appointment of the Depository, as may be amended or supplemented from time to time.
Directive 2009/65/EC or the UCITS Directive	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) (recast), as amended.

Directive 2013/34/EU	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, as amended.
Directive 2014/65/EU	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 (recast), as amended.
Distribution Shares	Shares with respect to which the Fund intends to distribute dividends and which confer on their holder the right to receive such dividends, if and when declared by the Fund.
Distributors	intermediaries appointed by the Global Distributor and duly licensed to distribute the Shares of the Fund.
Domiciliary Agent	an entity responsible for providing registered office services for the Fund.
Domiciliary and Corporate Services Agreement	the agreement entered into between the Fund and the Domiciliary Agent governing the appointment of the Domiciliary Agent, as may be amended or supplemented from time to time.
Eligible Investor	an investor who satisfies all eligibility requirements for a specific Sub-Fund or Share Class, as specified for the Sub-Fund or Share Class in the Supplement.
ESMA	the European Securities and Markets Authority.
EU	the European Union.
EUR	the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
FATCA	the Foreign Account Tax Compliance Act provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010, set out in sections 1471 to 1474 of the US Internal Revenue Code, and any US Treasury regulations issued thereunder, Internal Revenue Service rulings or other official guidance pertaining thereto.
FATCA Law	the Luxembourg law of 24 July 2015, as amended, implementing the Model 1 Intergovernmental Agreement between the Government of the Grand Duchy of Luxembourg and the Government of the United States of America to Improve International Tax Compliance and with respect to the United States information reporting provisions commonly known as FATCA.

Feeder Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a feeder fund in the meaning of the 2010 Law.
Fund	Mutuactivos International SICAV.
Global Distributor	the global distribution agent appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and the Global Distribution Agreement, as identified in the Directory.
Global Distribution Agreement	the agreement entered into between the Fund, the Management Company and the Global Distributor governing the appointment of the Global Distributor, as may be amended or supplemented from time to time.
Index Tracking Sub-Fund	a Sub-Fund the strategy of which is to replicate or track the performance of an index or indices through synthetic and/or physical replication, as set out in the Supplement where applicable.
Initial Offer	the first day or period on or during which Shares of a Share Class will be or were available for subscription.
Initial Offer Price	the price at which Shares may be subscribed for on or during the Initial Offer.
Institutional Investor	an institutional investor as defined for the purposes of the 2010 Law and by the administrative practice of the CSSF and the Luxembourg <i>Administration de l'enregistrement et des domaines</i> .
Investment Management Agreement	the agreement entered into between the Fund, the Management Company and the Investment Manager governing the appointment of the Investment Manager, as may be amended or supplemented from time to time.
Investment Manager	the investment manager appointed by the Management Company with the consent of the Fund in accordance with the provisions of the 2010 Law and the Investment Management Agreement, as identified in the Directory.
Investment Management Fee	the fee payable by the Fund to the Investment Manager under the Investment Management Agreement, as described in section 10.3 (Investment Management Fee) of this Prospectus.
Lugano Convention	the Convention of Lugano of 30 October 2007 on jurisdiction and the enforcement of judgments in civil and commercial matters.
Management Company	the management company appointed by the Fund in accordance with the provisions of the 2010 Law and the Management Company Services Agreement, as identified in the Directory.

Management Company Agreement	the agreement entered into between the Fund and the Management Company governing the appointment of the Management Company, as may be amended or supplemented from time to time.
Management Fee	the fee payable by the Fund to the Management Company under the Management Company Agreement, as described in section 10.2 (Management Company Fee) of this Prospectus.
Master Fund	as the context indicates, a Sub-Fund or another UCITS or sub-fund thereof qualifying as a master fund in the meaning of the 2010 Law.
Member State	a State that is a contracting party to the Agreement creating the European Union. The States that are contracting parties to the Agreement creating the European Economic Area, other than the Member States of the European Union, within the limits set forth by such Agreement and related acts, are considered as equivalent to Member States of the European Union.
Money Market Instrument	instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
Net Asset Value	as the context indicates, the net asset value of the Fund, a Sub-Fund, or a Share Class determined in accordance with the provisions of this Prospectus.
Net Asset Value per Share	the Net Asset Value of a Share Class in a Sub-Fund divided by the total number of Shares of that Share Class which are in issue as of the Valuation Day for which the Net Asset Value per Share is calculated.
New Shares	Shares described in section 8.6 (Conversion of Shares) of this Prospectus.
NFE	Non-Financial Entity within the meaning of the CRS Law.
NFFE	Non-Financial Foreign Entity within the meaning of the FATCA Law.
Non-Member State	any State, other than a Member State, in Europe, America, Africa, Asia or Oceania.
OECD	the Organisation for Economic Cooperation and Development.
Original Shares	Shares described in section 8.6 (Conversion of Shares) of this Prospectus.
Performance Fee	the fee which may be payable to the Investment Manager depending on the performance of certain Sub-Funds or Share Classes, where applicable, as described in section 10.4 (Performance Fee) of this Prospectus.

Prohibited Person	any person considered as a Prohibited Person in the opinion of the Board of Directors according to the criteria set out in the Articles of Association and section 8.10 (Prohibited Persons) of the Prospectus.
Prospectus	this prospectus including all Supplements, as may be amended from time to time.
Redemption Day	a Valuation Day on which Shares may be redeemed by the Fund at a Redemption Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Redemption Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit redemptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Redemption Fee	a fee which the Fund may charge upon redemption of Shares, equal to a percentage of the Redemption Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Redemption Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to request the redemption of all or part of his Shares.
Redemption Price	the price at which the Fund may redeem Shares on a Redemption Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Redemption Day and in accordance with the provisions of this Prospectus.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Share Class in the Supplement, by the end of which the Fund will normally pay the Redemption Price (less any Redemption Fee) to redeeming investors, subject to the provisions of this Prospectus.
Reference Currency	as the context indicates, (i) in relation to the Fund, the Euro, or (ii) in relation to a Sub-Fund, the currency in which the assets and liabilities of the Sub-Fund are valued and reported, as specified in each Supplement, or (iii) in relation to a Sub-Fund or Share Class, the currency in which the Shares of that Sub-Fund or Share Class are denominated, as specified in each Supplement.
Regulated Market	a regulated market within the meaning of Directive 2014/65/EU.

Securitisation	as defined in Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, asset-backed or mortgage-backed securities, distressed securities, or contingent convertible securities.
Semi-Annual Report	the report issued by the Fund as of the first half of the current financial year in accordance with the 2010 Law.
SFDR	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.
SFTR	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.
Share Class	a class of Shares of a Sub-Fund created by the Board of Directors, as described in section 8.1 (Shares, Sub-Funds and Share Classes) of this Prospectus. For the purposes of this Prospectus, each Sub-Fund shall be deemed to comprise at least one Share Class.
Shareholder	a holder of Shares.
Shares	shares of a Sub-Fund or Share Class issued by the Fund.
Sub-Fund	a sub-fund of the Fund, as described in section 8.1 (Shares, Sub-Funds and Share Classes) of this Prospectus.
Subscription Day	a Valuation Day on which investors may subscribe for Shares at a Subscription Price determined by reference to the Net Asset Value per Share calculated as of that Valuation Day. Subscription Days are specified for each Sub-Fund or Share Class in the Supplement. Certain jurisdictions do not permit subscriptions to be processed on local holidays. Investors should refer to the local sales documents for their jurisdiction or consult their local Distributor for further details.
Subscription Fee	a fee which the Fund may charge upon subscription for Shares, equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.
Subscription Form	the forms and other documents, as issued or accepted by the Fund from time to time, which the Fund requires the investor or the person acting on behalf of the investor to complete, sign, and return to the Fund or its agent, with the supporting documentation, in order to make an initial and/or additional application for subscription to Shares.

Subscription Price	the price at which investors may subscribe for Shares on a Subscription Day, as determined for each Sub-Fund or Share Class on the basis of the Net Asset Value per Share as of that Subscription Day and in accordance with the provisions of this Prospectus.
Subscription Settlement Period	the period of time by the end of which the subscriber is required to pay the Subscription Price (plus any Subscription Fee) to the Fund. The Subscription Settlement Period is specified for each Sub-Fund or Share Class in the Supplement.
Supplement	the supplement(s) to this Prospectus for each specific Sub-Fund, which form part of this Prospectus.
Sustainability Factors	is defined in section 6.8 of this Prospectus.
Sustainability Risk	is defined in section 6.8 of this Prospectus.
Target Sub-Fund	a Sub-Fund into which another Sub-Fund has invested in accordance with the provisions of this Prospectus.
Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and Council Regulation of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending the SFDR.
Tracking Error	the volatility of the difference between the return of an Index-Tracking Sub-Fund and the return of the index or indices tracked. The expected Tracking Error of each Index-Tracking Sub-Fund will be disclosed in the Supplement.
Transferable Security	shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.
TRS	total return swap, as defined in section 4.7.3 of this Prospectus.
UCI	undertaking for collective investment within the meaning of Article 1(2)(a) and (b) of the UCITS Directive, being an open-ended undertaking with the sole object of collective investment of capital raised from the public, in accordance with the principle of risk-spreading, in transferable securities and other liquid financial assets.
UCITS	undertaking for collective investment in transferable securities.

US Person or United States Person	<p>unless otherwise specified in this Prospectus, a person described in one or more of the following paragraphs:</p> <p>any United States Person as defined:</p> <ul style="list-style-type: none"> - in Regulation S under the United States Securities Act of 1933, as amended from time to time, or - any other regulation or law which shall come into force in the United States of America and shall replace, in the future, Regulation S or the US Securities Act of 1933, or - any other law, rule, regulation issued from time to time by any competent authority in the United States of America to do so may have an impact on the meaning of U.S. Person as defined above, for the avoidance of doubt this shall cover, but is not limited to, the Foreign Account Tax Compliance Act and the Hiring Incentives to Restore Employment Act, as the same may be amended, completed or replaced from time to time.
Valuation Day	a Business Day as of which the Net Asset Value per Share is calculated, as specified in the Supplement.
VAT	Value Added Tax.

4. INVESTMENT STRATEGY AND RESTRICTIONS

Each Sub-Fund has a specific investment objective and policy described in its Supplement. The investments of each Sub-Fund must comply with the provisions of the 2010 Law. The investment restrictions and policies set out in this section apply to all Sub-Funds, without prejudice to any specific rules adopted for a Sub-Fund, as described in its Supplement where applicable. The Board of Directors may impose additional investment guidelines for each Sub-Fund from time to time, for instance where it is necessary to comply with local laws and regulations in countries where Shares are distributed. Each Sub-Fund should be regarded as a separate UCITS for the purposes of this section and all asset percentages are measured as a percentage of the total net assets of the relevant Sub-Fund.

4.1 Authorised investments

4.1.1 The investments of each Sub-Fund must comprise only one or more of the following.

- (a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market.
- (b) Transferable Securities and Money Market Instruments dealt in on another market in a Member State that is regulated, operates regularly and is recognised and open to the public.
- (c) Transferable Securities and Money Market Instruments admitted to the official listing on a stock exchange in a Non-Member State or dealt in on another market in a Non-Member State which is regulated, operates regularly and is recognised and open to the public provided that the choice of the stock exchange or market has been provided for in the Articles of Association.
- (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 dealing on a Regulated Market or another regulated market referred to in paragraphs (a) to (c) of this section, and that such admission is secured within one year of issue.
- (e) Shares or units of UCITS or other UCI, whether or not established in a Member State, provided that the following conditions are satisfied:
 - (i) such other UCI 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;
 - (ii) the level of protection for shareholders or unitholders in such other UCI is equivalent to that provided for shareholders or unitholders in a UCITS, and in particular, the rules on asset segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;

- (iii) the business of the other UCI is reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period; and
 - (iv) no more than 10% of the assets of the UCITS or the other UCI whose acquisition is contemplated can, according to their constitutive documents, be invested in aggregate in shares or units of other UCITS or other UCI.
- (f) Deposits with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, which are repayable on demand or have the right to be withdrawn and maturing in no more than twelve months.
- (g) Financial derivative instruments, including equivalent cash-settled instruments, listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (a) to (c) of this section, or financial derivative instruments dealt in over-the-counter (OTC) provided that:
 - (i) the underlying consists of assets covered by this section 4.1.1 and/or financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objective;
 - (ii) the counterparties to OTC derivatives are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
 - (iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Fund.
- (h) Money Market Instruments other than those dealt in on a Regulated Market or on another regulated market referred to in paragraphs (a) to (c) of this section, provided that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and that such instruments are:
 - (i) 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
 - (ii) issued by an undertaking any securities of which are listed on a stock exchange or dealt in on a Regulated Market or another regulated market referred to in paragraphs (a) to (c) of this section; or
 - (iii) 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

- (iv) 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 set out in paragraphs (h)(i) to (h)(iii) of this section and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, 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.

4.1.2 Each Sub-Fund may invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those identified in paragraphs (a) to (d) and (h) of section 4.1.1.

4.1.3 Each Sub-Fund may hold ancillary liquid assets as further set out in the relevant Supplement(s).

4.1.4 Each Sub-Fund may borrow up to 10% of its net assets on a temporary basis. Collateral arrangements to cover exposure to financial derivative instruments are not considered borrowings for the purposes of this restriction. Each Sub-Fund may also acquire foreign currency by means of a back-to-back loan.

4.1.5 The Fund may acquire movable and immovable property which is essential for the direct pursuit of its business. Each Sub-Fund may borrow up to 10% of its net assets for this purpose. However, the total amount of borrowing for this purpose and any borrowing on a temporary basis permitted by section 4.1.4 above may not exceed 15% of the net assets of the Sub-Fund.

4.1.6 Each Sub-Fund may invest into shares issued by other Sub-Funds of the Fund (called Target Sub-Funds) provided that, during the period of investment:

- (a) the Target Sub-Fund does not, in turn, invest in the investing Sub-Fund and no more than 10% of the net assets of the Target Sub-Fund may be invested in UCITS (including other Sub-Funds) or other UCIs;
- (b) the voting rights attached to such Shares of the Target Sub-Fund are suspended; and
- (c) the value of such Shares of the Target Sub-Fund will not be taken into consideration for the calculation of the Net Asset Value of the Fund for the purposes of verifying the minimum threshold of net assets imposed by the 2010 Law.

4.2 Prohibited investments

4.2.1 The Sub-Funds may not acquire commodities or precious metals or certificates representing them or hold any right or interest therein. Investments in financial instruments linked to, or backed by the performance of, commodities or precious metals, or any right or interest therein, do not fall under this restriction.

- 4.2.2 Except as set out in section 4.1.5, the Sub-Funds may not invest in real estate or hold any right or interest in real estate. Investments in financial instruments linked to, or backed by the performance of, real estate or any right or interest therein, or shares or debt instruments issued by companies which invest in real estate or interests therein, do not fall under this restriction.
- 4.2.3 The Sub-Funds may not grant loans or guarantees in favour of a third party. Such restriction will not prevent any Sub-Fund from investing in Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1 which are not fully paid-up. Furthermore, such restriction will not prevent any Sub-Fund from entering into repurchase agreements, buy-sell back transactions or securities lending transactions as described in section 4.7 (Efficient portfolio management techniques) below.
- 4.2.4 The Sub-Funds may not enter into uncovered sales of Transferable Securities, Money Market Instruments, shares or units of UCITS or other UCI or financial derivative instruments referenced in section 4.1.1.

4.3 **Risk diversification limits**

- 4.3.1 If an issuer or body is a legal entity with multiple sub-funds or compartments where the assets of each sub-fund or compartment are exclusively reserved to the investors of that sub-fund or compartment and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund or compartment, each sub-fund or compartment is to be considered as a separate issuer or body for the purpose of the application of these risk diversification limits.

Transferable Securities and Money Market Instruments

- 4.3.2 No Sub-Fund may purchase additional Transferable Securities or Money Market Instruments of any single issuer if, upon such purchase:
- (a) more than 10% of its net assets would consist of Transferable Securities or Money Market Instruments of such issuer; or
 - (b) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of its net assets.
- 4.3.3 The limit of 10% set out in section 4.3.2, paragraph (a) is increased to 25% in respect of covered bonds as defined in Article 3(1) of the Covered Bonds Directive, and for certain bonds where they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect the bondholders (“**Covered Bonds**”). In particular, sums deriving from the issue of Covered Bonds issued before 8 July 2022 must be invested in accordance 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 reimbursement of principal and payment of accrued interest. To the extent a Sub-Fund invests more than 5% of its net assets in Covered Bonds, which are issued by a single issuer, the total

value of such investments may not exceed 80% of its net assets. Covered Bonds are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (b).

4.3.4 The limit of 10% set out in section 4.3.2, paragraph (a) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any non-Member State or by a public international body of which one or more Member States are members. Such securities are not included in the calculation of the limit of 40% set out in section 4.3.2, paragraph (b).

4.3.5 **Notwithstanding the limits set out above, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, by a member State of the OECD or the Group of Twenty (G20) such as the United States of America, by the Republic of Singapore, by the Hong Kong Special Administrative Region of the People's Republic of China or accepted by the CSSF and specified in this Prospectus, or by a public international body of which one or more Member States are members, provided that the Sub-Fund holds in its portfolio securities from at least six different issues and that securities from any issue do not account for more than 30% of the net assets of the Sub-Fund.**

Financial derivative instruments and efficient portfolio management techniques

4.3.6 The counterparty risk exposure arising from OTC financial derivative instruments and efficient portfolio management techniques (as described below) undertaken with a single body for the benefit of a Sub-Fund may not exceed 10% of the net assets of the Sub-Fund where the counterparty is a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law, or 5% of its net assets in other cases.

Bank deposits

4.3.7 Each Sub-Fund may invest up to 20% of its net assets in deposits made with a single body.

Combined limits

4.3.8 Notwithstanding the individual limits set out in sections 4.3.2, 4.3.6 and 4.3.7, a Sub-Fund may not combine, where this would lead to an exposure of more than 20% of its net assets to a single body:

- (a) investments in Transferable Securities or Money Market Instruments issued by that body;
- (b) bank deposits made with that body; and
- (c) counterparty exposure arising from OTC financial derivative instruments undertaken with that body.

- 4.3.9 The limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not be combined: investments in Transferable Securities or Money Market Instruments, bank deposits, counterparty exposure arising from OTC financial derivative instruments, issued by or undertaken with, a single issuer or body, each in accordance with the limits set out in sections 4.3.2 to 4.3.8 (with the exception of section 4.3.5) may not exceed a total of 35% of the net assets of the Sub-Fund.
- 4.3.10 For the purposes of the combined limits set out in sections 4.3.8 and 4.3.9, issuers or bodies that are part of the same group of companies are considered as a single issuer or body. A group of companies comprises all companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules.
- 4.3.11 Each Sub-Fund may cumulatively invest up to a limit of 20% of its assets in Transferable Securities and Money Market Instruments within the same group.

Sub-Fund replicating the composition of a financial index

- 4.3.12 Without prejudice to the limits laid down in section 4.4 (Control limits) below, the limits set out in section 4.3.2 are raised to 20% for investments in Transferable Securities or Money Market Instruments issued by a single issuer where the investment objective of the Sub-Fund is to replicate the composition of a certain financial index of stock or debt securities which is recognised by the CSSF.
- 4.3.13 The limit of 20% set out in the preceding section is raised to 35% where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain Transferable Securities or Money Market Instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for a single issuer.
- 4.3.14 A financial index is an index which complies, at all times, with the following conditions: the composition of the index is diversified in accordance with the limits set out in sections 4.3.12 and 4.3.13, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

Shares or units of UCITS or other UCI

- 4.3.15 Unless otherwise specified in its Supplement, no Sub-Fund is permitted to invest in aggregate more than 10% of its net assets in shares or units of UCITS or other UCI. If otherwise specified in its Supplement, the following limits will apply:
- (a) investments made in shares or units of a single other UCITS or other UCI may not exceed 20% of the net assets of the Sub-Fund; and
 - (b) investments made in shares or units of other UCI may not, in aggregate, exceed 30% of the net assets of the Sub-Fund.

- 4.3.16 The underlying assets of the UCITS or other UCI into which a Sub-Fund invests do not have to be combined with any other direct or indirect investment of the Sub-Fund into such assets for the purposes of the limits set out in section 4.3 (Risk diversification limits) above.
- 4.3.17 If a Sub-Fund invests in shares or units of UCITS or other UCI that are managed, directly or by delegation, by the Management Company or by any other company which is linked to the Management Company by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares or units of such UCITS or other UCI.
- 4.3.18 If a Sub-Fund invests a substantial proportion of its assets in UCITS or other UCI, the Supplement will disclose the maximum level of the management fees that may be charged both to the Sub-Fund itself and to the UCITS or other UCI in which it intends to invest. The Fund will disclose in the Annual Report the maximum proportion of management fees charged to both the Sub-Fund itself and the UCITS or other UCI in which the Sub-Fund invests.

Derogation

- 4.3.19 During the first six (6) months following its authorisation, a new Sub-Fund may derogate from the limits set out in this section 4.3 (Risk diversification limits) above, provided that the principle of risk-spreading is complied with.

4.4 Control limits

- 4.4.1 The Fund may not acquire such amount of shares carrying voting rights which would enable the Fund to exercise legal or management control or to exercise a significant influence over the management of the issuer.
- 4.4.2 No Sub-Fund may acquire more than:
- (a) 10% of the non-voting shares of the same issuer;
 - (b) 10% of the debt securities of the same issuer;
 - (c) 10% of the Money Market Instruments of any single issuer; or
 - (d) 25% of the shares or units of the same UCITS or other UCI.
- 4.4.3 The limits set out in section 4.4.2, paragraphs (b) to (d) may be disregarded at the time of acquisition if, at that time, the gross amount of the debt securities or Money Market Instruments or the net amount of the instruments in issue cannot be calculated.
- 4.4.4 The limits set out in sections 4.4.1 to 4.4.2 do not apply in respect of:
- (a) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;

- (b) Transferable Securities and Money Market Instruments issued or guaranteed by any non-Member State;
- (c) Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member States are members;
- (d) shares in the capital of a company which is incorporated under or organised pursuant to the laws of a non-Member State, provided that:
 - (i) such company invests its assets principally in securities issued by issuers having their registered office in that State;
 - (ii) pursuant to the laws of that State, a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State; and
 - (iii) such company observes in its investments policy the restrictions set out in section 4.3 (Risk diversification limits) above (with the exceptions of sections 4.3.5 and 4.3.12 to 4.3.14) and sections 4.4.1 to 4.4.2;
- (e) shares held by the Fund in the capital of subsidiary companies which carry on 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.

4.5 **Master / Feeder structure**

Under the conditions and within the limits laid down by the 2010 Law the Fund can, to the widest extent permitted by Luxembourg laws and regulations, create one or more Sub-Funds that qualify as a master fund or a feeder fund, or can designate any existing Sub-Fund a master fund or a feeder fund in which case further details in this respect are provided in the Sub-Fund(s)' Supplement.

A feeder Sub-Fund is a Sub-Fund which has been approved to invest at least 85% of its assets in units of another fund set up as a UCITS or in a sub-fund thereof. A feeder Sub-Fund may hold up to 15 % of its assets in ancillary liquid assets in accordance with the provisions of section 4.1, or financial derivative instruments which must only be used for hedging purposes. In measuring its global exposure relating to financial derivative instruments, and in order to be compliant with article 42 (3) of the 2010 Law, the feeder Sub-Fund must combine its own direct exposure with either:

- (a) the master UCITS' actual exposure to financial derivative instruments in proportion to the feeder Sub-Fund's investment into the master UCITS or
- (b) the master UCITS' potential maximum global exposure to financial derivative instruments provided for in the master UCITS' management regulations or articles of incorporation in proportion to the feeder UCITS' investment into the master UCITS.

In case the Fund decides to put in place a feeder structure, the set up shall be subject to the prior approval of the CSSF and details are specifically disclosed in the Sub-Fund(s)' Supplement.

The master UCITS and the feeder Sub-Fund must have the same Business Days, share Valuation Days and the Cut-Off Times for order processing must be coordinated so that orders for shares of the feeder Sub-Fund can be processed and the resulting orders for shares of the master UCITS can be placed before the master UCITS's Cut-Off Time of the same day.

4.6 Financial derivative instruments

4.6.1 General

Each Sub-Fund may use financial derivative instruments such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging or investment purposes, in accordance with the conditions set out in this section and the investment objective and policy of the Sub-Fund, as set out in its Supplement. The use of financial derivative instruments may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

Financial derivative instruments used by any Sub-Fund may include, without limitation, the following categories of instruments.

- (a) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of an underlying asset at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- (b) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- (c) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- (d) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- (e) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.
- (f) Credit default swaps: a credit default swap or CDS is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.
- (g) Total return swaps: a total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to

the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

- (h) Contracts for differences: a contract for differences or CFD is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends.

Each Sub-Fund must hold at any time sufficient liquid assets to cover its financial obligations arising under financial derivative instruments used.

The global exposure of a Sub-Fund to financial derivative instruments and efficient portfolio management techniques may not exceed the Net Asset Value of the Sub-Fund, as further described in section 4.9 (Global exposure limits) below.

The exposure of a Sub-Fund to underlying assets referenced by financial derivative instruments, combined with any direct investment in such assets, may not exceed in aggregate the investment limits set out in section 4.3 (Risk diversification) above. However, to the extent a Sub-Fund invests in financial derivative instruments referencing financial indices as described in section 4.6.3, the exposure of the Sub-Fund to the underlying assets of the financial indices do not have to be combined with any direct or indirect investment of the Sub-Fund in such assets for the purposes of the limits set out in section 4.3 (Risk diversification) above.

Where a Transferable Security or Money Market Instrument embeds a financial derivative instrument, the latter must be taken into account in complying with the risk diversification rules, global exposure limits and information requirements of this section 4 applicable to financial derivative instruments.

4.6.2 OTC financial derivative instruments

Each Sub-Fund may invest into financial derivative instruments that are traded 'over-the-counter' or OTC including, without limitation, total return swaps or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in this section 4 and the investment objective and policy of the Sub-Fund, as set out in its Supplement.

The counterparties to OTC financial derivative instruments will be selected among financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialised in the relevant type of transaction, which are under the supervision of a regulatory body of an OECD country and which are of sufficient creditworthiness in the opinion of the Investment Manager. The identity of the counterparties will be disclosed in the Annual Report.

The Fund uses a process for accurate and independent assessment of the value of OTC derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC derivatives, the Sub-Fund may receive cash or other assets as collateral, as further specified in section 4.8 (Collateral policy) below.

Each Sub-Fund may incur costs and fees in connection with total return swaps or other financial derivative instruments with similar characteristics, upon entering into total return swaps and/or any

increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depository, the Investment Manager or the Management Company, if applicable, may be available in the Annual Report and, to the extent relevant and practicable, in each Supplement.

4.6.3 Derivatives referencing financial indices

Each Sub-Fund may use financial derivative instruments to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in section 4.1 (Authorised investments) above and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.

For the purposes of this Prospectus, a 'financial index' is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner. These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

4.7 Efficient portfolio management techniques

Where provided for in its Supplement, a Sub-Fund may employ techniques and instruments relating to Transferable Securities and Money Market Instruments which qualify as securities financing transactions (SFTs), such as securities lending transactions, repurchase agreements and buy-sell back transactions, provided that such techniques and instruments are used for the purposes of efficient portfolio management to generate additional capital or income through the transaction itself or through the reinvestment of the cash collateral, in accordance with the conditions set out in this section 4.7 and the investment objective and policy of the Sub-Fund, as set out in such Supplement. The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

Where provided for in its Supplement, a Sub-Fund may also employ total return swaps (TRS), provided that they are used to hedge investment positions or as a part of its investment policy and within the limits of the investment restrictions, in accordance with the conditions set out in this section 4.7.

The risk exposure to a counterparty generated through efficient portfolio management techniques and OTC financial derivatives must be combined when calculating counterparty risk limits.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under a securities lending transactions, repurchase agreements and buy-sell back transactions, the Sub-Fund will receive cash or other assets as collateral, as further specified in section 4.8 (Collateral policy) below.

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques and total return swap agreements. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depository, the Investment Manager or the Management

Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct and indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, will be available in the Annual Report and, to the extent relevant and practicable, in each Supplement. All revenues arising from efficient portfolio management techniques and total return swap agreements, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund.

The counterparties to the SFTs and TRS will be selected on the basis of very specific criteria taking into account notably their legal status, country of origin, and minimum credit rating (i.e. only first class institution). These financial counterparties will in any case comply with article 3 of SFTR.

The Fund will report the details of any SFT and TRS concluded to a trade repository or ESMA, as the case may be in accordance with the SFTR. SFTs and TRS may be used in respect of any instrument that is eligible under article 50 of the UCITS Directive.

4.7.1 **Securities lending**

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Where specified in its Supplement, a Sub-Fund may enter into securities lending transactions as lender of securities or instruments. Securities lending transactions are, in particular, subject to the following conditions:

- (a) the counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (b) the borrower in a securities lending transaction must be a financial institution specialised in this type of transaction and located in an OECD member state. The borrower will be approved by the Mutuactivos S.A.U. SGIIC under the Investment Manager's approved list of borrowers and its rating will not be the main selection criteria;
- (c) a Sub-Fund may only lend securities or instruments to a borrower either directly through a standardised system organised by a recognised clearing institution or through a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those provided by EU law and specialised in this type of transaction; and
- (d) a Sub-Fund may only enter into securities lending transactions provided that it is entitled at any time, under the terms of the agreement, to request the return of the securities or instruments lent or to terminate the agreement.

The Fund will ensure that the volume of the securities lending transactions is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the Fund's assets in accordance with its investment policy.

Assets used in the context of securities lending transactions will be limited to the assets that the Sub-Fund is authorised to invest in pursuant to its investment policy. Information on the effective use of securities lending by each Sub-Fund, will be provided in the Sub-Fund's Supplement, if implemented by such Sub-Fund.

The securities lending agent on behalf of the Sub-Fund will ensure that its counterparty delivers collateral either in the form of cash, or in the form of securities compliant with the applicable Luxembourg regulations.

For further details on the risks linked to such transactions, please refer to the Section "General Risk Factors" to the Prospectus.

As of the date of this Prospectus, the Fund is not authorised to enter into any securities lending transactions. Should the Fund decide to provide for such possibility for a Sub-Fund, the Prospectus should be updated prior to the entry into force of such decision in order for the Fund to comply with the regulatory disclosure requirements.

4.7.2 Repurchase agreements and buy-sell back transactions

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a repurchase agreement or a reverse repurchase agreement as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

Assets used in the context of reverse repurchase and repurchase agreement transactions and buy-sell transactions will be limited to the assets that the Sub-Fund is authorised to invest in pursuant to its investment policy.

Where specified in its Supplement, a Sub-Fund may enter into repurchase agreements and/or buy-sell transactions as buyer or seller of securities or instruments. Such transactions are, in particular, subject to the following conditions:

- (a) the counterparty must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and

- (b) the Sub-Fund must be able, at any time, (i) to terminate the agreement in accordance with applicable regulations and subject to prevailing repurchase agreement market rates or (ii) recall the full amount of cash in a reverse repurchase agreement or buy-sell back transaction (on either an accrued basis or a mark-to-market basis) or any securities or instruments subject to a repurchase agreement or sell-buy back transaction. Fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow cash or assets to be recalled at any time.

All gross revenues arising from reverse repurchase and repurchase agreement transactions and buy-sell transactions will be allocated to the relevant Sub-Fund as no specific cost or fees will be retained by or paid to any intermediary in connection therewith.

Information on the effective involvement of the Sub-Fund in reverse repurchase and repurchase agreement transactions and buy-sell transactions and specific details on these transactions will be provided in the Sub-Fund Supplement, if implemented by such Sub-Fund.

For further details on the risks linked to such transactions, please refer to the Section 6. “General Risk Factors” to the Prospectus.

4.7.3 Total Return Swap Agreements

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

Total return swaps may be funded and/or unfunded. An unfunded swap is a swap where no upfront payment is made by the total return receiver at inception. A funded swap is a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset. Funded swaps tend to be costlier due to the upfront payment requirement.

Except otherwise stated in the relevant Sub-Fund’s Supplement, under normal circumstances, it is generally expected that the actual percentage of the assets held by a Sub-Fund that may be subject to total return swap agreements at any time will be within the Sub-Fund’s range of expected level of leverage based on the sum of notionals of financial derivative instruments approach and as set out in the relevant Sub-Fund’s Supplement, where applicable. Except as otherwise stated in the relevant Sub-Fund’s Supplement, in exceptional circumstances such percentages are not expected to exceed the maximum value of the Sub-Fund’s range of expected level of leverage.

A Sub-Fund may more specifically enter into total return swap agreements provided that the following rules are complied with:

- (a) The counterparty in a total return swap agreement must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;
- (b) The counterparty in a total return swap agreement must be a financial institution specialised in this type of transaction and located in an OECD member state. The

counterparty will be approved by the Investment Manager under the Investment Manager's approved list of counterparties and its rating will not be the main selection criteria.

Only the assets used pursuant to the investment policy of a Sub-Fund may be further used for the purpose of total return swaps agreements of such Sub-Fund.

Information on the effective use of total return swap agreements and specific details on these transactions will be provided in the relevant Sub-Fund's Supplement, if implemented by such Sub-Fund. Total return swaps entered into by a Sub-Fund may be in the form of funded and/or unfunded swaps.

For further details on the risks linked to such transactions, please refer to the Section 6. "General Risk Factors" to the Prospectus.

4.8 Collateral policy

This section sets out the policy adopted by the Board of Directors for the management of collateral received for the benefit of each Sub-Fund in the context of OTC financial derivatives instruments and efficient portfolio management techniques (securities lending transactions, repurchase agreements, and buy-sell back transactions). All cash or assets received by a Sub-Fund in the context of efficient portfolio management techniques will be considered as collateral for the purposes of this section.

4.8.1 Eligible collateral

Collateral received for the benefit of a Sub-Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. In particular, collateral received for the benefit of a Sub-Fund should comply with the following conditions:

- (a) collateral other than cash should be of high quality, 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;
- (b) collateral should be valued at least on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place, as further specified below;
- (c) collateral 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;
- (d) collateral should be sufficiently diversified in terms of countries, markets and issuers. The maximum exposure of a Sub-Fund to any given issuer included in the basket of collateral received is limited to 20% of the net assets of the Sub-Fund. When the Sub-Fund is exposed to different counterparties, collateral received should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, this limit may be exceeded and up to 100% of the collateral received by a Sub-Fund may consist in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by one or more of its local authorities, or by a public international body of which one or more Member States are members,

provided that such securities or instruments are part of a basket of collateral comprised of securities or instruments of at least six different issues and that securities or instruments from any one issue do not account for more than 30% of the net assets of the Sub-Fund;

- (e) where there is a title transfer, collateral received should be held by the Depositary or one of its sub-custodians to which the Depositary has delegated the custody of such collateral and the depositary remains liable subject to the provisions of the 2010 Law if the collateral is lost by the sub-custodian. For other types of collateral arrangement (e.g. a pledge), 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;
- (f) collateral should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty; and
- (g) where applicable, collateral received should also comply with the control limits set out in section 4.4 (Control limits) above.

Subject to the above conditions, permitted forms of collateral include:

- (a) cash and cash equivalents, including short-term bank certificates and Money Market Instruments;
- (b) bonds issued or guaranteed by a Member State, any other member state of the OECD or their local public authorities, by supranational institutions and undertakings with an EU, regional or worldwide scope;
- (c) shares or units issued by money market UCI calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (d) shares or units issued by other UCITS investing mainly in bonds and/or shares identified in items (e) and (f) below;
- (e) bonds issued or guaranteed by first class issuers offering adequate liquidity; and
- (f) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

4.8.2 Level of collateral

The level of collateral required for OTC financial derivatives transactions and efficient portfolio management techniques will be determined as per the agreements in place with the individual counterparties, taking into account factors including the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At all times the counterparty exposure not covered by collateral will remain below the applicable counterparty risk limits set out in this Prospectus.

It is expected that the amount of collateral posted by a counterparty in favour of each Sub-Fund will be such that the net exposure of the relevant Sub-Fund to that counterparty arising from OTC financial derivatives transactions and efficient portfolio management techniques is aimed to be zero percent (0%) of its Net Asset Value on each Valuation Day: each Sub-Fund is expected to be fully collateralised.

The updating of collateral with counterparties will normally take place on a daily basis, limiting counterparty risk, and with a minimum threshold (until this threshold is exceeded, the corresponding settlement will not be triggered).

4.8.3 Haircut policy

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the haircut policy adopted by the Board of Directors. The collateral will be marked to market daily and may be subject to daily variation margin requirements. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer’s credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

In accordance with its haircut policy, the Board of Directors expects that the discount percentages specified in the table below will be used in the calculation of the value of collateral received by the Sub-Fund:

Category of collateral	Haircut percentage
Cash in eligible currencies (EUR, GBP, USD)	0%
Government and supranational bonds	1% minimum, to be determined based on the remaining maturity
Other permitted forms of collateral	5% minimum, to be determined on a case-by-case basis

Collateral will normally be provided in cash, although public debt of an EU Member State with a minimum rating no lower than that of the Kingdom of Spain will also be accepted (in the latter case, applying the usual market haircuts), subject to the above minimum haircut percentages.

4.8.4 Stress tests

Where a Sub-Fund receives collateral for at least 30% of its assets, regular stress tests will be carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy includes, without limitation, (i) design of stress test scenario analysis including calibration, certification and sensitivity analysis; (ii) empirical approach to impact assessment, including back-testing of liquidity risk estimates; (iii) reporting frequency and limit/loss tolerance thresholds; and (iv) mitigation actions to reduce loss, including haircut policy and gap risk protection.

4.8.5 Reinvestment of collateral

Non-cash collateral received for the benefit of a Sub-Fund may not be sold, re-used, re-invested or pledged. Cash collateral received for the benefit of a Sub-Fund can only be:

- (a) placed on deposit with a credit institution which has its registered office in a Member State or a credit institution located in a third-country which is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (b) invested in high-quality government bonds;
- (c) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis; and/or
- (d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds issued by ESMA (CESR/10-049) as may be amended from time to time.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above and the relevant Sub-Fund's investment policy. Re-investment of cash collateral involves certain risks for the Sub-Fund (such as market, risk, credit risk and interest rate risk), as described in section 6 (General risk factors) below, which the Investment Manager will seek to minimise.

4.8.6 Centrally cleared OTC derivatives

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Generally, centrally-cleared OTC derivatives may be cleared under the agency model or the principal-to-principal model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central counterparty, whereas under the agency model there is one transaction between the Fund and the central counterparty. For these trades, the Fund will post and/or receive collateral for the benefit of a Sub-Fund in the form of margin payments, as agreed with the clearing broker in accordance with the rules of the applicable clearinghouse, including rules on acceptable forms of collateral, collateral level, valuation and haircuts. The Fund will ensure that variation margin receivable from the clearing broker is consistent with its collateral policy. Central clearing is designed to reduce counterparty credit risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely, as described in section 6.6.1 (OTC financial derivative instruments) below.

4.9 Global exposure limits

4.9.1 General

In accordance with Luxembourg laws and regulations, the Management Company has adopted and implemented a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the Sub-Fund.

The global exposure of a Sub-Fund to financial derivative instruments and efficient portfolio management techniques may not exceed the Net Asset Value of the Sub-Fund. Global exposure is calculated, at least on a daily basis, using either the commitment approach or the value-at-risk or “VaR” approach, as further explained below. Global exposure is a measure designed to limit either the incremental exposure and leverage generated by a Sub-Fund through the use of financial derivative instruments and efficient portfolio management techniques (where the Sub-Fund uses the commitment approach) or the market risk of the Sub-Fund's portfolio (where the Sub-Fund uses the VaR approach). The method used by each Sub-Fund to calculate global exposure is mentioned in its Supplement.

4.9.2 **Commitment approach**

Under the commitment approach, all financial derivative positions of the Sub-Fund are converted into the market value of the equivalent position in the underlying assets. Netting and hedging arrangements may be taken into account when calculating global exposure, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure. Under this approach, the global exposure of a Sub-Fund is limited to 100% of its Net Asset Value.

4.9.3 **VaR approach**

In financial mathematics and financial risk management, VaR is a widely used risk measure of the risk of loss on a specific portfolio of financial assets. For a given investment portfolio, probability and time horizon, VaR measures the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The calculation of VaR is conducted on the basis of a one-sided confidence interval of 99% and a holding period of 20 days. The exposure of the Sub-Fund is subject to periodic stress tests.

VaR limits are set using an absolute or relative approach. The Management Company and the Board of Directors will decide which VaR approach is the most appropriate methodology given the risk profile and investment strategy of the Sub-Fund. The VaR approach selected for each Sub-Fund using VaR is specified in its Supplement.

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark for the Sub-Fund (for instance, where the Sub-Fund has an absolute return target). Under the absolute VaR approach a limit is set as a percentage of the Net Asset Value of the Sub-Fund. Based on the above calculation parameters, the absolute VaR of each Sub-Fund is limited to 20% of its Net Asset Value. The Management Company may set a lower limit if appropriate.

The relative VaR approach is generally appropriate for Sub-Funds where a leverage-free VaR benchmark or reference portfolio may be defined, reflecting the investment strategy of the Sub-Fund. The relative VaR of a Sub-Fund is expressed as a multiple of the VaR of the defined benchmark or reference portfolio and is limited to no more than twice the VaR on that benchmark or reference portfolio. The VaR benchmark or reference portfolio of the Sub-Fund, which may be different from the benchmark used for other purposes, is specified in its Supplement.

4.10 **Leverage**

Unless otherwise indicated in its Supplement, a Sub-Fund may use leverage to increase its exposure through the use of financial derivative instruments. Leverage may be used at the discretion of the Investment Manager in accordance with the investment objective and policy of each Sub-Fund and its

defined risk profile. Leverage involves certain risks for the Sub-Fund, as further described in section 6 (General risk factors) below. Leverage is monitored on a regular basis by the Management Company.

Under applicable laws and regulations, the level of leverage is defined as the sum of the absolute value of the notional amount of all financial derivative instruments used by the Sub-Fund, as well as any additional exposure generated by the reinvestment of cash collateral in relation to efficient portfolio management techniques. For each Sub-Fund using the VaR approach to calculate and monitor its global exposure, the expected level of leverage, expressed as a percentage of the Net Asset Value of the Sub-Fund, is disclosed in the Supplement.

The above methodology based on the “sum of notionals” is mandatory under applicable laws and regulations. It does not allow for the offset of hedging transactions and other risk mitigation strategies involving financial derivative instruments, such as currency hedging or duration management. Similarly, this methodology does not allow for the netting of derivative positions and does not make any distinction between short term and long term assets. As a result, strategies that aim to reduce risks may contribute to an increased level of leverage for the Sub-Fund.

4.11 Breach of investment limits

The Sub-Funds need not comply with the limits set out above in this section 4 when exercising subscription rights attached to Transferable Securities and Money Market Instruments which form part of its assets.

If the limits set out above in this section 4 are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective in its sales transactions the remedying of that situation, taking due account of the interest of investors.

5. BENCHMARKS REGULATION

Certain Sub-Funds of the Fund may use benchmarks within the meaning of the Benchmarks Regulation as disclosed in the relevant Supplement(s). For these Sub-Funds, the Fund and the Management Company will ensure in compliance with the Benchmarks Regulation that (i) the administrator of any benchmark used is duly authorised or recognised and added to the ESMA register of benchmark administrators and benchmarks; or (ii) the administrator is located in a jurisdiction deemed equivalent under the Benchmarks Regulation; or (iii) the benchmark used is itself added to the ESMA register of benchmark administrators and benchmarks as a benchmark endorsed by a duly authorised administrator; or (iv) the benchmark or its administrator are exempt according to article 2(2) of the Benchmarks Regulation or (v) the benchmark qualifies for the transitional provisions in Article 51 of the Benchmarks Regulation.

6. GENERAL RISK FACTORS

The performance of the Shares depends on the performance of the investments of the Sub-Fund, which may increase or decrease in value. The past performance of the Shares is not an assurance or guarantee of future performance. The value of the Shares at any time could be significantly lower than the initial investment and investors may lose a portion or even the entire amount originally invested.

Investment objectives express an intended result only. Unless otherwise specified in a Supplement, the Shares do not include any element of capital protection and the Fund gives no assurance or guarantee

to any investors as to the performance of the Shares. Depending on market conditions and a variety of other factors outside the control of the Fund, investment objectives may become more difficult or even impossible to achieve. The Fund gives no assurance or guarantee to any investors as to the likelihood of achieving the investment objective of a Sub-Fund.

An investment in the Shares is only suitable for investors who have sufficient knowledge, experience and/or access to professional advisors to make their own financial, legal, tax and accounting evaluation of the risks of an investment in the Shares and who have sufficient resources to be able to bear any losses that may result from an investment in the Shares. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser as to possible financial, legal, tax and accounting consequences which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, conversion or disposal of the Shares of the Fund.

Investors should also carefully consider all of the information set out in this Prospectus and the Supplement of the Sub-Fund before making an investment decision with respect to Shares of any Sub-Fund or Share Class. The following sections are of general nature and describe certain risks that are generally relevant to an investment in Shares of any Sub-Fund or Share Class. Other risks may be described in the Supplement. This section and the Supplements do not purport to be a complete explanation of all risks involved in an investment in the Shares of any Sub-Fund or Share Class and other risks may also be or become relevant from time to time.

6.1 Market risk

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.

6.1.1 Economic risk

The value of investments held by a Sub-Fund may decline in value due to factors affecting financial markets generally, such as real or perceived adverse economic conditions, changes in the general outlook for revenues or corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The value of investments may also decline due to factors affecting a particular industry, area or sector, such as changes in production costs and competitive conditions. During a general downturn in the economy, multiple asset classes may decline in value simultaneously. Economic downturn can be difficult to predict. When the economy performs well, there can be no assurance that investments held by a Sub-Fund will benefit from the advance.

6.1.2 Interest rate risk

The performance of a Sub-Fund may be influenced by changes in the general level of interest rates. Generally, the value of fixed income instruments will change inversely with changes in interest rates: when interest rates rise, the value of fixed income instruments generally can be expected to fall and vice

versa. Fixed income securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities. In accordance with its investment objective and policy, a Sub-Fund may attempt to hedge or reduce interest rate risk, generally through the use of interest rate futures or other derivatives. However, it may not be possible or practical to hedge or reduce such risk at all times.

6.1.3 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. 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.

6.1.4 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.

6.1.5 Volatility

The volatility of a financial instrument is a measure of the variations in the price of that instrument over time. A higher volatility means that the price of the instrument can change significantly over a short time period in either direction. Each Sub-Fund may make investments in instruments or markets that are likely to experience high levels of volatility. This may cause the Net Asset Value per Share to experience significant increases or decreases in value over short periods of time.

6.1.6 Leverage

Leverage refers to the use of borrowed funds or financial derivative instruments to increase exposure to an asset in excess of the capital amount invested in that asset. Each Sub-Fund is subject to strict

restrictions on borrowings which are generally not permitted for investment purposes. However, in accordance with its investment objective and policy, a Sub-Fund may use financial derivative instruments to gain additional market exposure to underlying assets in excess of its Net Asset Value, thereby creating a leverage effect. While leverage presents opportunities for increasing gains of a Sub-Fund, it also has the effect of potentially increasing losses incurred by the Sub-Fund. The maximum expected level of leverage of each Sub-Fund calculating its global exposure under the VaR approach is disclosed in the Supplement. For regulatory purposes, leverage must be calculated by reference to the gross notional amounts of the derivatives used. This calculation method does not take into account the market risk and volatility of the underlying assets. A relatively high notional amount may be required in order to achieve the desired level of exposure to the underlying assets. This may be the case in particular for short-term interest rate derivatives to the extent their sensitivity to interest rate changes is low relative to other assets.

6.1.7 Short positions

Certain Sub-Funds may use financial derivative instruments such as swaps, futures and forwards in order to obtain a short exposure to certain securities or other assets. A synthetic short position replicates the economic effect of a transaction in which a fund sells a security or asset it does not own but has borrowed, in anticipation that the market price of that security or asset will decline. When a Sub-Fund initiates such a synthetic short position in a security or asset that it does not own, it enters into a derivative-based transaction with a counterparty or broker-dealer and closes that transaction on or before its expiry date through the receipt or payment of any gains or losses resulting from the transaction. If the price of the security or asset on which the synthetic short position is written increases between the time of the initiation of the synthetic short position and the time at which the position is closed, the Sub-fund will incur a loss; conversely, if the price declines, the Sub-Fund will realise a gain. Any gain will be decreased and any loss increased by transactional costs and fees. Although a Sub-Fund's gain is limited to the price at which it opened the synthetic short position, its potential loss may be substantially higher. Stop loss policies are typically employed to limit losses. Each Sub-Fund is required to maintain sufficiently liquid assets to cover any obligations arising from its short positions at any time.

6.2 Liquidity risk

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 or OTC, 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.

6.3 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 or invests into debt securities and other fixed income instruments. Counterparty risk may also arise when a Sub-Fund enters into OTC financial derivative instruments, or enters into securities lending transactions, repurchase agreements and buy-sell back transactions, as further described below.

6.4 Custody risk

The Fund's assets are safekept by the Depositary or its sub-custodians (which may not be part of the same group of companies as the Depositary) and Shareholders are exposed to the risk of the Depositary or its sub-custodian not being able to fully meet its obligation to return in a short time frame all of the assets of the Fund held at the Depositary or a sub-custodian in the case of its insolvency. Securities of the Fund will normally be identified in the Depositary's or sub-custodian's books as belonging to the Fund and will be segregated from the Depositary or the sub-custodian's assets. This provides protection for the Fund's assets in the event of the insolvency of either the Depositary or its sub-custodian but does not exclude the risk that the assets will not be returned promptly in the event of insolvency.

The Fund's assets may also be pooled with the securities of other clients of the Depositary or sub-custodian. In this circumstance, if there were problems with the settlement or custody of any security in the pool then, subject to the 2010 Law, the loss would be spread across all clients in the pool and would not be restricted to the client whose securities were subject to loss.

Where securities are held with a sub-custodian of the Depositary or by a securities depositary or clearing system, such securities may be held by such entities in client omnibus accounts and in the event of a default by any such entity, where there is an irreconcilable shortfall of such securities, the Fund may have to share that shortfall on a pro-rata basis. Securities may be deposited with clearing brokers which the Depositary is not obliged to appoint as its sub-custodians and in respect of the acts or defaults of which the Depositary shall have no liability.

In addition, a Sub-Fund may be required to place assets outside of the Depositary and the sub-custodian's safekeeping network in order for the Fund to trade in certain markets. In such circumstances the Depositary remains responsible for the proper selection and supervision of the persons safekeeping such assets in the relevant markets in accordance with the 2010 Law. In such markets, Shareholders should note that there may be delays in settlement and/or uncertainty in relation to the ownership of a Sub-Fund's investments which could affect the Sub-Fund's liquidity and which could lead to investment losses.

Cash held on deposit with a Depositary or its sub-custodian is not segregated from the assets of the Depositary or its sub-custodian and is held at the risk of the Sub-Funds.

6.5 **Operational risk**

Operational risk means the risk of loss for the Fund resulting from inadequate internal processes and failures in relation to people and systems of the Fund, the Management Company and/or its agents and service providers, or from external events, and includes legal and documentation risk and risk resulting from the trading, settlement and valuation procedures operated on behalf of the Fund.

6.5.1 **Valuation**

Certain Sub-Funds may hold investments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market. In addition, in certain circumstances, investments may become less liquid or illiquid. Such investments will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or liquidation prices of investments.

6.5.2 **Laws and regulations**

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.

6.5.3 **Segregation of Sub-Funds**

The Fund is a single legal entity incorporated as an “umbrella fund” comprised of separate Sub-Funds. Under Luxembourg law, each Sub-Fund represents a segregated pool of assets and liabilities. By operation of the law, the rights and claims of creditors and counterparties of the Fund arising in respect of the creation, operation or liquidation of a Sub-Fund will be limited to the assets allocated to that Sub-Fund. However, while these provisions are binding in a Luxembourg court, these provisions have not been tested in other jurisdictions, and a creditor or counterparty might seek to attach or seize assets of a Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds.

6.5.4 **No segregation of Share Classes**

Under Luxembourg law, there is no legal segregation of assets and liabilities between Share Classes of the same Sub-Fund. In the event that, for any reason, assets allocated to a Share Class become insufficient to pay for the liabilities allocated to that Share Class, the assets allocated to other Share Classes of the Sub-Fund will be used to pay for those liabilities. As a result, the Net Asset Value of the other Share Classes may also be reduced.

6.6 Certain financial instruments and investment techniques

6.6.1 OTC financial derivative instruments

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not *bona fide*) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly report to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or “port” its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

6.6.2 Securities lending, repurchase agreements and buy-sell back transactions

Securities lending transactions, repurchase agreements and buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

(a) Counterparty risk

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Sub-Fund as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the Sub-Fund under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Sub-Fund.

A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

(b) Operational risk

Securities lending, repurchase or reverse repurchase transactions entail operational risks such as the non-settlement or delay in settlement of instructions. The risks arising from the

use of these transactions will be closely monitored and techniques (including collateral management) will be employed to seek to mitigate those risks. Although it is expected that the use of these transactions will generally not have a material impact on the Sub-Funds' performance.

(c) **Liquidity risk**

The use of such techniques may have a significant effect, either negative or positive, on the Sub-Funds' Net Asset Value. The use of such techniques may although have an impact on the ability of the Fund to meet redemption requests, security purchases or, more generally, re-investment.

(d) **Legal risk**

The use of securities lending, repurchase or reverse repurchase transactions and their consequences for the relevant Sub-Funds, are substantially affected by legal requirements. No assurance can be given that future legislation, administrative rulings or court decisions will not adversely affect the Sub-Funds. Furthermore, certain transactions are entered into on the basis of complex legal documents. Such documents may be difficult to enforce or may be the subject of a dispute as to interpretation in certain circumstances. Whilst the rights and obligations of the parties to a legal document may be governed by Luxembourg law, in certain circumstances (for example insolvency proceedings) other legal systems may take priority which may affect the enforceability of existing transactions.

(e) **Custody risk**

The Sub-Funds' assets are held in custody by the Depositary which exposes the Sub-Funds to custodian risk. This means that the Sub-Funds are exposed to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the Depositary.

(f) **Conflicts of interest**

A Sub-Fund may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as the Management Company or Investment Manager. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the Sub-Fund and its investors. However, investors should be aware that the Management Company or Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

6.6.3 **Total Return Swaps**

Total return swaps (TRS) represent a financial derivative combining market risk and credit risk which are affected by interest rate fluctuations, as well as events and credit prospects. These transactions can be less liquid than interest rate swaps, as there is no standardisation of the underlying index and this situation can have a negative impact on the ability to settle the TRS position, or on the price at which the settlement is performed. Some of these risks are mitigated by requiring that the counterparties to

such TRS are high-standing financial institutions specialised in this type of transaction and subject to prudential supervision. Please refer to the sections on “Market risk”, “Credit risk” and “Counterparty risk” above for further information.

Synthetic replication through total return (or unfunded swaps), excess return swaps and fully-funded swaps may allow to obtain exposure to difficult-to-implement strategies that would otherwise be very costly and difficult to have access to with physical replication. As this does not involve physically holding the securities, synthetic replication therefore involves lower costs for investors. Synthetic replication however involves counterparty risk: the counterparty may default or may not be able to meet its obligations in full, as further described under “Counterparty risk”.

6.6.4 Collateral management

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, *inter alia*, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

6.7 Taxation

6.7.1 Tax treatment of the Shareholders

The tax position of the Shareholders may vary according to their particular financial and tax situation. The structuring of the Fund and/or its investments may not be tax-efficient for a particular prospective Shareholder. No undertaking is given that amounts distributed or allocated to the Shareholders will have any particular characteristics or that any specific tax treatment will apply. Further, no assurance is given that any particular investment structure in which the Fund has a direct or indirect interest will be suitable for all Shareholders and, in certain circumstances, such structures may lead to additional costs or reporting obligations for some or all of the Shareholders.

Prospective Shareholders should consider their own tax position in relation to subscribing for, purchasing, owning and disposing of Shares, and consult their own tax advisors as appropriate. None of the Fund and its affiliates, or any officer, director, member, partner, employee, advisor or agent thereof can take responsibility in this regard.

6.7.2 Taxation in foreign jurisdictions

Shareholders, the Fund and/or any vehicle in which the Fund has a direct or indirect interest may be subject to tax in jurisdictions in which the Shareholders, the Fund or any such vehicles are incorporated, organised, controlled, managed, have a permanent establishment or permanent representative, or are otherwise located and/or in which investments are made and/or with which investments have a connection.

Moreover, taxes such as withholding tax or similar taxes may be imposed on profits of, or proceeds received by, the Fund from investments in such jurisdictions, and such taxes may not be creditable to, or deductible by, the Fund or the Shareholders in their respective jurisdictions.

6.7.3 Changes in tax law, practice and interpretation

Applicable law and any other rules or customary practice relating to or affecting tax, or the interpretation of these in relation to the Shareholders, the Fund and its investments may change during the life of the Fund (possibly with retroactive effect). In particular, both the level and the basis of taxation may change. Additionally, the interpretation and application of tax law, rules and customary practice by any taxation authority or court may differ from that anticipated by the Fund and its advisors. This could significantly affect returns to the Fund and the Shareholders.

6.7.4 Base Erosion and Profit Shifting and Anti-Tax Avoidance Directives

The pace of evolution of fiscal policy and practice has recently been accelerated due to a number of developments. In particular, the OECD together with the G20 countries have committed to addressing abusive global tax avoidance, referred to as BEPS through 15 actions detailed in reports released on 5 October 2015 and through the Inclusive Framework on a global consensus solution to reform the international corporate tax system via a two-pillar plan in 2021 known as Pillar I and Pillar II ("**BEPS 2.0**"). Subject to the development and implementation of these new rules, the return of the Shareholders may be adversely affected.

As part of the BEPS project, new rules dealing with *inter alia* the abuse of double tax treaties, the definition of permanent establishments, controlled foreign companies, restriction on the deductibility of excessive interest payments and hybrid mismatch arrangements, have been or will be introduced into the respective domestic laws of members of the BEPS project (*i.a.* by means of European directives and a multilateral instrument).

The Council of the EU adopted two Anti-Tax Avoidance Directives, namely ATAD I and ATAD II, that address many of the above-mentioned issues. The measures included in ATAD I and ATAD II have been implemented by the law of 21 December 2018 and the law of 20 December 2019 into Luxembourg domestic law. Most of the measures have been applicable since 1 January 2019 and 1 January 2020, the remaining being applicable as from tax year 2022.

These measures may affect returns to the Fund and thus to the Shareholders.

6.7.5 Exchange of information on reportable cross-border arrangements

Following the adoption of the Luxembourg law of 25 March 2020, as amended from time to time (the "DAC 6 Law") implementing Council Directive (EU) 2018/822 of 25 May 2018 amending Directive

2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (“DAC 6”), certain intermediaries and, in certain cases, taxpayers have to report certain information on reportable cross-border arrangements to the Luxembourg tax authorities within a specific timeframe.

A reportable cross-border arrangement is any cross-border arrangement involving one or more of certain types of taxes, and containing at least one hallmark (i.e., a characteristic or feature that presents an indication of a potential risk of tax avoidance) as set out in the DAC 6 Law. A cross-border arrangement will only fall within the scope of the DAC 6 Law if one of the following triggering events occurs: the arrangement is made available, or is ready for implementation, or the first step of the implementation of the arrangement is taken; or aid, assistance or advice is provided with respect to designing, marketing, organising, making available for implementation or managing the implementation of a reportable cross-border arrangement.

The reported information will be automatically exchanged by the Luxembourg tax authorities with the competent authorities of all other EU Member States. As the case may be, the Fund may take any action that it deems required, necessary, advisable, desirable or convenient to comply with the reporting obligations imposed on intermediaries and/or taxpayers pursuant to the DAC 6 Law. Failure to provide the necessary information under DAC 6 may result in the application of fines or penalties in the relevant EU jurisdiction(s) involved in the cross-border arrangement in question. Under the DAC 6 Law, late reporting, incomplete or inaccurate reporting, or non-reporting may be subject to a fine of up to EUR 250,000.

6.7.6 FATCA and CRS

Under the terms of the FATCA Law and CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund may require all Shareholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above-mentioned regulations.

Should the Fund become subject to a withholding tax and/or penalties as a result of non-compliance under the FATCA Law and/or penalties as a result of non-compliance under the CRS Law, the value of the Shares held by all Shareholders may be materially affected.

Furthermore, the Fund may also be required to withhold tax on certain payments to its Shareholders which would not be compliant with FATCA (i.e. the so-called foreign pass-through payments withholding tax obligation).

6.8 Sustainability Risks

“Sustainability Risk” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by a Sub-Fund. Such risk is principally linked to climate-related events resulting from climate change (i.e., Physical Risks) or to the society's response to climate change (i.e. Transition Risks), which may result in unanticipated losses that could affect a Sub-Fund's investments and financial condition. Social events (e.g., inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g., recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

Pursuant to the SFDR, a Sub-Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of such Sub-Fund.

A Sub-Fund is exposed to Sustainability Risks. Such Sustainability Risks are integrated into the investment decision making and risk monitoring to the extent that they represent a potential or actual material risks and/or opportunities to maximising the long-term risk-adjusted returns.

The Investment Manager has adopted a policy for the integration of Sustainability Risks into its investment decision making process which is available on the website of the Investment Manager (www.mutua.es/mactivos/recursos/pdf/fondos-inversion/Politica_integracion_ASG.pdf).

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a sustainability risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Such assessment of the likely impact must therefore be conducted at portfolio level, further detail and specific information is given in each relevant Supplement.

FURTHER DETAIL AND SPECIFIC INFORMATION ABOUT THE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE SUB-FUND(S) IS GIVEN IN EACH RELEVANT SUPPLEMENT TO THE PROSPECTUS.

6.9 Asset-backed and mortgage-backed securities

The Company and any of its Sub-Funds may invest in asset-backed securities, including mortgage-backed securities (respectively “**ABS**” and “**MBS**”). These financial instruments represent a participation in, or are secured by, mortgage or other instalment-type loan contracts, such as motor vehicle instalment payments or credit card agreements. Investments in these types of financial instruments entail specific risks, as outlined below.

Receivables from investments in ABS and MBS typically include both interest and partial payment of the principal. Given the nature of the underlying loans, principal payments may also be paid voluntarily, or as a result of refinancing or foreclosure. In such cases of prepayment, the Sub-Fund that has invested in ABS or MBS may have to invest the proceeds in other financial instruments with less attractive features and yields.

In addition, the performance and duration of ABS and MBS are closely linked and extremely sensitive to changes in applicable interest rates. Prepayment rates generally decline as a result of increased interest rates, which will likely increase the duration and volatility of ABS and MBS. Thus, investments in ABS and MBS are subject to interest rate risk, credit risk, valuation risk, and liquidity risk (as described above).

7. MANAGEMENT AND ADMINISTRATION

7.1 The Board of Directors

The members of the Board of Directors will be elected by the general meeting of shareholders subject to the approval of the CSSF. The Board of Directors is vested with the broadest powers to act on behalf

of the Fund and to take any actions necessary or useful to fulfil the Fund's corporate purpose, subject to the powers expressly assigned by law or the Articles of Association to the general meeting of shareholders.

The Board of Directors is responsible for conducting the overall management and business affairs of the Fund in accordance with the Articles of Association. In particular, the Board of Directors is responsible for defining the investment objective and policy of the Sub-Funds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the Management Company and the general monitoring of the performance and operations of the Fund.

For the current composition of the Board of Directors, please refer to the Directory.

7.2 The Management Company

The Fund has appointed the Management Company as its management company in accordance with the provisions of the 2010 Law pursuant to the Management Company Services Agreement.

The Management Company is a public limited company (*société anonyme*) incorporated under the laws of Grand Duchy of Luxembourg in 1994. The Management Company is authorised and regulated by the CSSF in the Grand Duchy of Luxembourg under Luxembourg law. The Management Company is an affiliated company of the CACEIS group. Its main business activity is to provide collective portfolio management services to the Fund and other funds and perform the functions of a UCITS management company and alternative investment fund manager in accordance with the laws of the Grand Duchy of Luxembourg.

The relationship between the Fund and the Management Company is subject to the terms of the Management Company Agreement. Under the terms of the Management Company Agreement, the Management Company is responsible for the investment management and administration of the Fund as well as the distribution and marketing of the Shares, subject to the overall supervision of the Board of Directors. The Management Company is in charge of the day-to-day business activities of the Fund. The Management Company has authority to act on behalf of the Fund within its function.

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

The Management Company Agreement contains provisions exempting the Management Company from liability and indemnifying the Management Company in certain circumstances. However, the liability of the Management Company towards the Fund will not be affected by any delegation of functions by the Management Company.

Remuneration policy

The Management Company is subject to remuneration policies, procedures and practices (together, the "Remuneration Policy") which comply with the principles outlined in the 2010 Law. The Remuneration

Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles of the Sub-Funds or the Articles of Association.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the funds under its collective management and the investors, and includes measures to avoid conflicts of interest.

Fixed and variable components of total remuneration are appropriately balanced and the fixed remuneration 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.

Where, 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 Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period

The details on the Remuneration Policy are available on the following website: https://www.luxcellence.com/files/Remuneration-policy_EN.pdf. A paper copy will be made available free of charge upon request at the office of the Management Company.

7.3 The Investment Manager

With the consent of the Fund, the Management Company has appointed Mutuactivos S.A.U. S.G.I.I.C. as Investment Manager for the Fund pursuant to the Investment Management Agreement.

Mutuactivos S.A.U., SGIIC, is a collective investment scheme management company in form of a public limited company (*sociedad anonima*) incorporated under the laws of Spain on 11 March 1985. The Investment Manager is registered in the Official Register of the CNMV under number 21 and authorised for the purpose of asset management and regulated by the CNMV in Spain. The Investment Manager is an affiliated company of Mutua Madrileña Group. Its main business activity is asset management.

The relationship between the Fund, the Management Company and the Investment Manager is subject to the terms of the Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager has full discretion, subject to the overall review and control of the Management Company and, ultimately, the Board of Directors, to manage the assets of each Sub-Fund on a discretionary basis, in accordance with the applicable law as well as with the investment objective and policy of the Sub-Fund and any additional investment restrictions or guidelines imposed by the Board of Directors. Within this function, the Investment Manager has authority to act on behalf of the Fund.

The Investment Management Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors.

The Investment Management Agreement contains provisions exempting the Investment Manager from liability and indemnifying the Investment Manager in certain circumstances. The liability of the Investment Manager towards the Management Company and the Fund will not be affected by any delegation of functions by the Investment Manager.

7.4 The Global Distributor

With the consent of the Fund, the Management Company has appointed Mutuactivos Inversiones AV, S.A.U. as the Global Distributor pursuant to the Global Distribution Agreement.

Mutuactivos Inversiones AV, S.A.U. is a public limited company (*sociedad anonima unipersonal*) incorporated under the laws of Spain on 29 August 2013. The Global Distributor is authorised and regulated by the CNMV in Spain under local law or regulation. The Global Distributor is an affiliated company of Mutua Madrileña Group.

The relationship between the Fund, the Management Company and the Global Distributor is subject to the terms of the Global Distribution Agreement. Under the terms of the Global Distribution Agreement, the Global Distributor is responsible for the marketing and distribution of the Shares in Luxembourg and other jurisdictions approved by the Board of Directors. The Global Distributor has the authority to appoint sub-distributors on behalf of the Fund to market and distribute the Shares.

The Global Distribution Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Global Distribution Agreement contains provisions exempting the Global Distributor from liability and indemnifying the Global Distributor in certain circumstances. However, the liability of the Global Distributor towards the Management Company and the Fund will not be affected by any delegation of functions by the Global Distributor.

7.5 The Depositary

CACEIS Bank, Luxembourg Branch is acting as the Fund' depositary (the “**Depositary**”) in accordance with a depositary agreement dated 19 June 2025 as amended from time to time (the “**Depositary Agreement**”) and the relevant provisions of the 2010 Law and the UCITS Directive.

CACEIS Bank, Luxembourg branch is acting as a branch of CACEIS Bank, a public limited liability company (*société anonyme*) incorporated under the laws of France with a share capital of 1 280 677 691,03 Euros having its registered office located at 89-91, rue Gabriel Peri, 92120 Montrouge, France, registered with the French Register of Trade and Companies under number 692 024 722 RCS Nanterre. Caceis Bank is an authorised credit institution supervised by the European Central Bank (“ECB”) and the *Autorité de contrôle prudentiel et de résolution* (“ACPR”). It is further authorised to exercise through its Luxembourg branch banking and central administration activities in Luxembourg.

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

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

In due compliance with the 2010 Law, the Depositary shall:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of Shares of the Fund are carried out in accordance with the applicable national law and the 2010 Law or the Fund's articles of incorporation;
- (ii) ensure that the value of the Shares is calculated in accordance with the 2010 Law or the Fund's articles of incorporation;
- (iii) carry out the instructions of the Fund or the Management Company acting on behalf of the Fund, unless they conflict with the 2010 Law, or the Fund's articles of incorporation;
- (iv) ensure that in transactions involving the Fund's assets any consideration to the Fund is remitted to the Fund within the usual time limits; and
- (v) ensure that the Fund's income is applied in accordance with the 2010 Law and the Fund's articles of incorporation.

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

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

A list of these correspondents/third party custodians are available on the website of the Depositary (www.caceis.com, section "veille réglementaire").

Such list may be updated from time to time. A complete list of all correspondents/third party custodians may be obtained, free of charge and upon request, from the Depositary. Up-to-date information regarding the identity of the Depositary, the description of its duties and of conflicts of interest that may arise, the safekeeping functions delegated by the Depositary and any conflicts of interest that may arise from such a delegation are also made available to investors on the website of the Depositary, as mentioned above, and upon request. There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Fund, such as administrative agency and registrar agency services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Fund's and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

- (i) identifying and analysing potential situations of conflicts of interest;
- (ii) recording, managing and monitoring the conflict of interest situations either in:
 - relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or

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

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

The Fund and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The Fund may, however, dismiss the Depositary only if a new depositary bank is appointed within two (2) months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Compartments have been transferred to the new depositary bank.

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

7.6 The Administrator

The Administrator of the Fund is CACEIS Bank, Luxembourg Branch, with its registered office at 5, allée Scheffer, L-2520 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 209.310.

The UCI administration activity may be split into 3 main functions: the registrar function, the NAV calculation and accounting function, and the client communication function.

The registrar function encompasses all tasks necessary to the maintenance of the Fund register and performs the registrations, alterations or deletions necessary to ensure its regular update and maintenance.

The NAV calculation and accounting function is responsible for the correct and complete recording of transactions to adequately keep the Fund's books and records in compliance with applicable legal, regulatory and contractual requirements as well as corresponding accounting principles. It is also responsible for the calculation and production of the NAV of the Fund in accordance with the applicable regulation in force.

The client communication function is comprised of the production and delivery of the confidential documents intended for Shareholders.

Under its own responsibility and control, the Administrator may delegate various functions and tasks to other entities which have to be qualified and competent for performing them in accordance with the applicable regulation(s) in force.

CACEIS Bank, Luxembourg Branch may outsource, for the performance of its activities, IT and operational functions related to its activities as UCI administrator, in particular as registrar and transfer agent activities including shareholders and investor services, with other entities of the group CACEIS,

located in Europe or in third countries, and notably in United Kingdom, Canada and Malaysia. In this context, CACEIS Bank, Luxembourg Branch may be required to transfer to the outsourcing provider data related to the investor, such as name, address, date and place of birth, nationality, domicile, tax number, identity document number (in case of legal entities: name, date of creation, head office, legal form, registration numbers on the company register and/or with the tax authorities and persons related to the legal entity such as investors, economic beneficiaries and representatives), etc.. In accordance with Luxembourg law, CACEIS Bank, Luxembourg Branch has to disclose a certain level of information regarding the outsourced activities to the Fund, which will communicate these information to the Shareholders. The list of countries where the group CACEIS is located is available on the Internet site www.caceis.com. We draw your attention to the fact that this list could change over time.

The agreement between the Administrator, the Fund and the Management Company (the “**Central Administration Agreement**”) is concluded for an indefinite period and may be terminated by either party upon a three (3) months' written notice.

In consideration of the services rendered, the Administrator receives a fee as detailed in section 10 “Fees and Expenses” hereafter.

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

The Central Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Central Administration Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the Management Company and the Fund will not be affected by any delegation of functions by the Administrator.

7.7 The Domiciliary Agent

On the basis of an agreement dated 2 May 2025 (“Domiciliary and Corporate Services Agreement”), the Fund appointed CACEIS Bank, Luxembourg Branch as domiciliary of the Fund in Luxembourg. This agreement was concluded for an indefinite period and can be terminated by either party subject to three months' notice.

7.8 The Auditor

The Fund has appointed PricewaterhouseCoopers as its independent auditor (*réviseur d'entreprises agréé*) within the meaning of the 2010 Law. The Auditor is elected by the general meeting of shareholders. The Auditor will audit the accounting information contained in the Annual Report and fulfil other duties as prescribed by regulatory rules and the 2010 Law.

7.9 Conflicts of interest

The Board of Directors, the Management Company, the Investment Manager, the Depositary, the Administrator and the other service providers of the Fund, and/or their respective affiliates, members, employees or any person connected with them may be subject to various conflicts of interest in their relationships with the Fund.

As further described in the Articles of Association, any director of the Fund who has, directly or indirectly, an interest in a transaction submitted to the approval of the Board of Directors which conflicts with the Fund's interest, must inform the Board of Directors. The director may not take part in the discussions on and may not vote on the transaction. Where, by reason of a conflicting interest, the number of directors required in order to validly deliberate is not met, the board of directors may submit the decision on this specific item to the general meeting of shareholders.

The Fund has adopted and implemented a conflicts of interest policy and has made appropriate organisational and administrative arrangements to identify and manage conflicts of interests so as to minimise the risk of the Fund's interests being prejudiced, and if they cannot be avoided, ensure that the Fund is treated fairly.

7.10 Execution of transactions

The Investment Manager has adopted a "best execution" policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy is available on the website of the Investment Manager (https://www.mutua.es/mactivos/recursos/pdf/fondos-inversion/Politica_de_mejor_ejecucion.pdf)

8. SHARES

8.1 Shares, Sub-Funds and Share Classes

8.1.1 Shares

The share capital of the Fund is represented by fully paid up Shares of no par value. The share capital of the Fund is at all times equal to the Net Asset Value of the Fund, which is the total Net Asset Value of all Sub-Funds expressed in the Reference Currency of the Fund. The share capital of the Fund must at all times be at least equal to the minimum required by the 2010 Law, which is 1,250,000 EUR.

The Shares will be issued in registered form only. Written confirmation of registration will be issued upon request and at the expense of the requesting shareholder. The registration of a shareholder in the register of shareholders of the Fund evidences the shareholder's ownership right towards the Fund.

The Fund will recognise only one single shareholder per Share. In case a Share is owned by several persons, they must appoint a single representative who will represent them towards the Fund. The Fund has the right to suspend the exercise of all rights attached to that Share until such representative has been appointed.

The Shares carry no preferential or pre-emptive rights: the Fund is authorised without limitation to issue an unlimited number of fully paid up Shares on any Valuation Day without reserving to existing Shareholders a preferential or pre-emptive right to subscribe for the Shares to be issued.

Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund and at all meetings of the Sub-Fund or Share Class concerned.

Fractions of Shares will be issued up to six (6) decimal places. Such fractional Shares will be entitled to participate on a *pro rata* basis in the net assets attributable to the Sub-Fund or Share Class to which

they belong in accordance with their terms, as set out in this Prospectus. Fractions of Shares do not confer any voting rights on their holders. However, if the sum of the fractional Shares held by the same shareholder in the same Share Class represents one or more entire Shares, such shareholder will benefit from the corresponding voting right attached to the number of entire Shares.

Shares are each entitled to participate in the net assets allocated to the relevant Sub-Fund or Share Class in accordance with their terms, as set out in the Supplements. Shares will be issued on each Subscription Day immediately after the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class as of that point, as described in more detail in section 8.4 (Subscription for Shares) below. Shares will be redeemed on each Redemption Day at the time of valuation and entitled to participate in the net assets of the Sub-Fund or Share Class until and including that point, as described in more detail in section 8.5 (Redemption of Shares) below.

Shares redeemed will generally be cancelled unless the Fund decides otherwise.

8.1.2 Sub-Funds

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Each Share issued by the Fund is a share in a specific Sub-Fund. Each Sub-Fund has a specific investment objective and policy as further described in its Supplement. A separate portfolio of assets is maintained for each Sub-Fund and invested for its exclusive benefit in accordance with its investment objective and policy.

With regard to third parties, in particular towards the Fund's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it. As a consequence, the assets of each Sub-Fund may only be used to meet the debts, liabilities and obligations attributable to that Sub-Fund. In the event that, for any reason, the liabilities arising in respect of the creation, operation and liquidation of a Sub-Fund exceed the assets allocated to it, creditors will have no recourse against the assets of any other Sub-Fund to satisfy such deficit. Assets and liabilities are allocated to each Sub-Fund in accordance with the provisions of the Articles of Association, as set out in section 9.2 (Valuation procedure) below.

Each Sub-Fund may be established for an unlimited or limited duration as specified in its Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Sub-Fund once or several times. Investors will be notified at each extension. At the expiry of the duration of a Sub-Fund, the Fund will redeem all the Shares in that Sub-Fund. The Supplement will indicate the duration of each Sub-Fund and its extension, where applicable.

Additional Sub-Funds may be established by the Board of Directors from time to time without the consent of investors in other Sub-Funds. A new Supplement will be added to this Prospectus for each new Sub-Fund established.

8.1.3 Share Classes

The Sub-Funds may offer several Share Classes, as set out in the Supplements. Each Share Class within a Sub-Fund may have different features such as the fee structure, minimum subscription or holding amounts, currency, different hedging techniques or distribution policy or other distinctive features, or be offered or reserved to different types of investors. Investors will be able to choose the Share Class with the features most suitable to their individual circumstances.

Each Share Class may be created for an unlimited or limited duration, as specified in the Supplement. In the latter case, upon expiry of the term, the Fund may extend the duration of the Share Class once or several times. Investors will be notified at each extension. At the expiry of the duration of a Share Class, the Fund will redeem all the Shares in that Share Class. The Supplement will indicate the duration of each Share Class and its extension, where applicable.

Additional Share Classes may be established in any Sub-Fund from time to time without the approval of investors. New Share Classes will be added to the relevant Supplement. Such new Share Classes may be issued on terms and conditions that differ from the existing Share Classes. The list and details of the Share Classes established within each Sub-Fund, if any, are set out in the Supplements. For each Sub-Fund launched, the list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company, Administrator or a Distributor upon request.

8.1.4 Changes to Sub-Funds and Share Classes

The rights and restrictions attached to Shares may be modified from time to time, subject to the provisions of the Articles of Association. Any changes to the Articles of Association will require a resolution of the general meeting of shareholders, as further described in section 11.2 (Meetings of shareholders) below.

Subject to the above, the Board of Directors may change the characteristics of any existing Sub-Fund, including its objective and policy, or any existing Share Class, without the consent of investors. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree. This Prospectus will be updated as appropriate.

8.2 Dividend distribution policy

Each Sub-Fund may offer distributing Shares and non-distributing Shares. The Supplement shall indicate whether Shares confer the right to dividend distributions (Distribution Shares) or do not confer this right (Capitalisation Shares). Distribution Shares and Capitalisation Shares issued within the same Sub-Fund will be represented by different Share Classes.

Capitalisation Shares capitalise their entire earnings whereas Distribution Shares pay dividends. Whenever dividends are distributed to holders of Distribution Shares, their Net Asset Value per Share will be reduced by an amount equal to the amount of the dividend per Share distributed, whereas the Net Asset Value per Share of Capitalisation Shares will remain unaffected by the distribution made to holders of Distribution Shares.

The Fund shall determine how the earnings of Distribution Shares shall be distributed and may declare distributions from time to time, at such time and in relation to such periods as the Fund shall determine, in the form of cash or Shares, in accordance with the dividend distribution policy adopted for such Distribution Shares as described in the Supplement. The dividend distribution policy may vary between Distribution Shares within the same or different Sub-Funds. Dividend distributions are not guaranteed with respect to any Share Class. In any event, no distribution may be made if, as a result, the total Net Asset Value of the Fund would fall below the minimum share capital required by the 2010 Law which is EUR 1,250,000.

No interest shall be paid on dividend distributions declared by the Fund which have not been claimed. Dividends not claimed within five years of their declaration date will lapse and revert to the relevant Share Class.

8.3 Eligible Investors

Shares may only be acquired or held by investors who satisfy all eligibility requirements for a specific Sub-Fund or Share Class, if any, as specified for the Sub-Fund or Share Class in the Supplement (an Eligible Investor). Certain Sub-Funds or Shares Classes may indeed be reserved to specified categories of investors such as Institutional Investors, investors investing through a specified distribution channel or investors who are residents of or domiciled in specific jurisdictions.

The Board of Directors has decided that any investor not qualifying as an Eligible Investor will be considered as a Prohibited Person, in addition to those persons described in section 8.10 (Prohibited Persons) below. The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons in accordance with the procedure set out in this Prospectus (see section 8.10 (Prohibited Persons) below).

8.4 Subscription for Shares

Applications for subscriptions can be submitted for each Subscription Day provided that a complete application is submitted by the Cut-Off Time for that Subscription Day. Applications will be processed, if accepted, at the Subscription Price applicable to that Subscription Day. The Subscription Price (plus any Subscription Fee) must be settled by the end of the Subscription Settlement Period. The subscription procedure is further described below. Shares will be issued on the Subscription Day and entitled to participate in the Net Asset Value of the Share Class from their issue. The Subscription Day, Cut-Off Time, and Subscription Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

8.4.1 Subscription application

Shares in any new Sub-Fund or Share Class may be available for subscription during an Initial Offer and will be issued on the first Subscription Day following the Initial Offer at the Initial Offer Price. Information on the Initial Offer and the Initial Offer Price of any new Sub-Fund or Share Class will be set out in the Supplement and available from the Administrator or a Distributor upon request. The Fund may reschedule the Initial Offer and/or amend the Initial Offer Price.

Shares will be available for subscription on each Subscription Day at a Subscription Price equal to the Net Asset Value per Share for that Subscription Day. The Net Asset Value per Share for the Subscription Day at which an application will be processed is unknown to the investors when they place their subscription applications.

The Fund may charge a Subscription Fee on subscriptions for Shares, as set out in section 10.1 (Subscription Fee and Redemption Fee) below, which will be added to the Subscription Price. The Subscription Fee is equal to a percentage of the Subscription Price or such other amount specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Investors wishing to subscribe for Shares of a Sub-Fund or Share Class will be requested to complete a Subscription Form in which they commit to subscribe and pay for the Shares. The liability of each investor in respect of the Shares subscribed will be limited to the Subscription Price (plus any Subscription Fee). The Subscription Form must be submitted to the Administrator or a Distributor following the instructions on such form. The Subscription Form is available from the Administrator or a Distributor on request.

The Fund will only process subscription applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to investors on subscription proceeds received by the Fund prior to receiving clear and complete applications.

Applications must be submitted to the Administrator or a Distributor by the Cut-Off Time for the Subscription Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Subscription Price applicable to that Subscription Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Subscription Day. However, the Fund may accept subscription applications received after the Cut-Off Time subject to certain conditions, as set out in section 8.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to accept or refuse any application in whole or in part at its discretion. Without limitation, the Fund may refuse an application for subscription where the Fund determines that the Shares would or might be held by, on behalf or for the account or benefit of, Prohibited Persons. In such event, subscription proceeds received by the Fund will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest.

The issue of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 9.4 (Temporary suspension of the Net Asset Value calculation) below. The issue of Shares of a Share Class may also be suspended at the discretion of the Board of Directors, in the best interest of the Fund, notably under other exceptional circumstances.

8.4.2 Settlement of subscription

The Subscription Price (plus any Subscription Fee) must be paid in the Reference Currency of the Share Class.

Cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) must be received by the Fund by the end of the Subscription Settlement Period specified in the Supplement. Settlement details are available in the Subscription Form.

If the payment of the Subscription Price (plus any Subscription Fee) has not been received by the end of the Subscription Settlement Period, any pending application for Shares may be rejected or, if the application had previously been accepted by the Fund, any allocation of Shares made on the basis of the application may be cancelled by a compulsory redemption of the Shares at the applicable Redemption Price (less any Redemption Fee). The Administrator will inform the applicant that the application has been rejected or the subscription cancelled, as applicable, and the money received after the end of the Subscription Settlement Period, if any, will be returned to the applicant at its risks and costs, without interest.

The Fund reserves the right to require indemnification from the applicant against any losses, costs or expenses arising as a result of any failure to settle the Subscription Price (plus any Subscription Fee) by the end of the Subscription Settlement Period. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

8.4.3 Subscription in kind

The Fund may agree to issue Shares as consideration for a “contribution in kind” of assets with an aggregate value equal to the Subscription Price (plus any Subscription Fee), provided that such assets comply with the investment objective and policy of the Sub-Fund and any restrictions and conditions imposed by applicable laws and regulations. In accepting or rejecting such a contribution at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment. Any contribution in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the contributing investor will agree on specific settlement procedures. Any costs incurred in connection with a contribution in kind, including the costs of issuing a valuation report, shall be borne by the contributing investor or by such other third party as agreed by the Fund.

8.5 Redemption of Shares

Applications for redemptions can be submitted by investors for each Redemption Day provided that a complete application is submitted by the Cut-Off Time for that Redemption Day. Applications will be processed, if accepted, at the Redemption Price applicable to that Redemption Day. The Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period. The redemption procedure is further described below. Shares will be redeemed on the Redemption Day and entitled to participate in the net assets of the Sub-Fund or Share Class until their redemption. The Redemption Day, Cut-Off Time, and Redemption Settlement Period for each Sub-Fund or Share Class are specified in the Supplement.

8.5.1 Redemption application

Investors may apply for redemption of all or any of their Shares on each Redemption Day at a Redemption Price equal to the Net Asset Value per Share for that Redemption Day. The Net Asset Value per Share for the Redemption Day at which an application will be processed is unknown to the investors when they place their redemption applications.

The Fund may charge a Redemption Fee on redemptions of Shares, as set out in section 10.1 (Subscription Fee and Redemption Fee) below, which will be deducted from the payment of the

Redemption Price. The Redemption Fee is equal to a maximum percentage of the Redemption Price or such other amount as specified for each Sub-Fund or Share Class in the Supplement, where applicable.

Investors wishing to redeem their Shares in part or in whole must submit a Redemption Form. The Redemption Form must be submitted to the Administrator or a Distributor following the instructions on such form. The Redemption Form is available from the Administrator or a Distributor on request.

The Fund will only process redemption applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator or a Distributor by the Cut-Off Time for the Redemption Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at the Redemption Price applicable to that Redemption Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdictions to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Redemption Day. However, the Fund may accept redemption applications received after the Cut-Off Time subject to certain conditions, as set out in section 8.9 (Late trading, market timing and other prohibited practices) below.

The redemption of Shares of a Sub-Fund or Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund or Share Class is suspended by the Fund, as described in section 9.4 (Temporary suspension of the Net Asset Value calculation) below. The redemption of Shares of a Sub-Fund or Share Class may also be suspended in other exceptional cases where the circumstances and the best interest of the investors so require.

The Fund can proceed unilaterally to a redemption of a Share Class of a Shareholder or switch the holding to another Share Class if the Shareholder no longer meets the qualifying criteria to maintain the Share Class he holds.

8.5.2 Settlement of redemption

Redemption proceeds equal to the full amount of the Redemption Price (less any Redemption Fee) will normally be paid by the end of the Redemption Settlement Period specified in the Supplement. Different settlement procedures may apply in certain jurisdictions in which Shares are distributed due to constraints under local laws and regulations. Investors should refer to the local sales documents for their jurisdiction or contact their local paying agent for further information. The Fund will not accept responsibility for any delays or charges incurred at any receiving bank or clearing system.

Payment of redemption proceeds will be made by wire transfer on the bank account of the redeeming investor and at its risks and costs. Redemption proceeds will be paid in the Reference Currency of the Sub-Fund or the Share Class.

The Fund reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period when there is insufficient liquidity or in other exceptional circumstances. If redemption proceeds cannot be paid by the end of the Redemption Settlement Period, the payment will be made as soon as reasonably practicable thereafter. The Fund may also delay the settlement of redemptions until reception of all information and supporting documentation deemed necessary to process the application, as described above. In any event, no redemption proceeds will be paid unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) due but not yet paid for the Shares to be redeemed has been received by the Fund. No interest will be paid to investors on redemption proceeds paid after the end of the Redemption Settlement Period.

8.5.3 Redemption in kind

The Fund may, in order to facilitate the settlement of substantial redemption applications or in other exceptional circumstances, propose to an investor a “redemption in kind” whereby the investor receives a portion of assets of the Sub-Fund of equivalent value to the Redemption Price (less any Redemption Fee). In such circumstances the investor must specifically consent to the redemption in kind and may always request a cash redemption payment instead. In turn, an investor may also ask the Fund for a redemption in kind. In proposing or accepting a request for redemption in kind at any given time, the Fund shall take into account the interest of other investors of the Sub-Fund and the principle of fair treatment and in case retail investors will be redeemed in kind, the Fund should assess whether the assets to be redeemed in kind are adequate for an average retail investor. Where the investor accepts a redemption in kind, he will receive a selection of assets of the Sub-Fund. Any redemption in kind will be valued independently in a special report issued by the Auditor or any other independent auditor (*réviseur d'entreprises agréé*) agreed by the Fund. The Fund and the redeeming investor will agree on specific settlement procedures. Any costs incurred in connection with a redemption in kind, including the costs of issuing a valuation report, shall be borne by the redeeming investor or by such other third party as agreed by the Fund.

8.6 Conversion of Shares

Applications for conversions of Shares of any Share Class (called the Original Shares) into Shares of another Share Class of the same or another Sub-Fund (called the New Shares) can be submitted for each Conversion Day provided that a complete application is submitted by the Cut-Off Time for that Conversion Day. The number of New Shares issued upon a conversion will be based on the respective Net Asset Values per Share of the Original Shares and the New Shares for the Conversion Day (which, for the avoidance of doubt, may be a different day for the Original Shares and the New Shares). The Original Shares will be redeemed and the New Shares will be issued on the Conversion Day. The conversion procedure is further described below.

8.6.1 Conversion application

Unless set out otherwise in the Supplement, investors may apply for conversion of Original Shares into New Shares on each Conversion Day. However, the right to convert the Original Shares is subject to compliance with any investor eligibility requirements applicable to the New Shares. In addition, conversion applications are subject to the provisions on the minimum initial or additional subscription amounts applicable to the New Shares and the minimum holding amount applicable to the Original Shares.

These Net Asset Values are unknown to the investors when they place their conversion application.

The Fund may charge a Conversion Fee on conversions of Shares, as set out in section 10.1 (Subscription Fee and Redemption Fee) below and specified in the Supplement. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Investors wishing to convert their Shares must submit a Conversion Form. The Conversion Form must be submitted to the Administrator or a Distributor following the instructions on such form. The Conversion Form is available from the Administrator or a Distributor on request.

The Fund will only process conversion applications that it considers clear and complete. Applications will be considered complete only if the Fund has received all information and supporting documentation it deems necessary to process the application. The Fund may delay the acceptance of unclear or incomplete applications until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete applications may lead to delays in their execution. The Fund will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications.

Applications must be submitted to the Administrator or a Distributor by the Cut-Off Time for the Conversion Day, as specified in the Supplement, in order for such applications to be processed, if accepted, at a conversion rate based on the respective Net Asset Values of the Original Shares and the New Shares on the Conversion Day. Different Cut-Off Times may apply for applications submitted by investors in different time zones, provided that the applicable Cut-Off Time must always be earlier than the time when the applicable Net Asset Value is calculated. Investors should refer to the local sales documents for their jurisdiction to find out which Cut-Off Time is applicable to them.

Applications received after the Cut-Off Time will be treated as deemed applications received by the Cut-Off Time for the next Conversion Day. However, the Fund may accept conversion applications received after the Cut-Off Time subject to certain conditions, as set out in section 8.9 (Late trading, market timing and other prohibited practices) below.

The Fund reserves the right to reject any application for conversion of Shares into New Shares, in whole or in part, including, without limitation, where the Fund decides to close the Sub-Fund or Share Class to new subscriptions or new investors. In any event, no conversion application will be processed unless and until cleared funds equal to the full amount of the Subscription Price (plus any Subscription Fee) for the Original Shares has been received by the Fund.

The conversion of Shares shall be suspended whenever the determination of the Net Asset Value per Share of the Original Shares or the New Shares is suspended by the Fund in accordance with section 9.4 (Temporary suspension of the Net Asset Value calculation) below, or when the redemption of Original Shares or the subscription for New Shares is suspended in accordance with the Articles of Association and this Prospectus.

8.6.2 Conversion rate

The rate at which the Original Shares are converted into New Shares is determined on the basis of the following formula:

$$A = (B \times C \times D) / E$$

where:

- A is the number of New Shares to be allocated;
- B is the number of Original Shares to be converted into New Shares;
- C is the Net Asset Value per Share of the Original Shares for the Conversion Day;
- D is the applicable market exchange rate between the Reference Currency of the Original Shares and that of the New Shares on the day of the transaction execution date, at the Shareholder's risk. Where the Reference Currencies are the same, D equals one (1); and
- E is the Net Asset Value per Share of the New Shares for the Conversion Day.

A Conversion Fee may be applied, if and to the extent set out in the Supplement. The Conversion Fee is equal to the positive difference, if any, between the Subscription Fee applicable to the New Shares and the Subscription Fee paid on the Original Shares, or such lower amount as specified for each Share Class in the Supplement, where applicable.

8.7 Transfer of Shares

8.7.1 Conditions and limitations on transfer of Shares

Shares are freely transferable subject to the restrictions set out in the Articles of Association and this Prospectus. In particular, the Fund may deny giving effect to any transfer of Shares if it determines that such transfer would result in the Shares being held by, on behalf or for the account or benefit of, Prohibited Persons.

Subject to the above, the transfer of Shares will normally be given effect by the Fund by way of declaration of transfer entered in the register of shareholders of the Fund following the delivery to the Administrator of an instrument of transfer duly completed and executed by the transferor and the transferee, in a form accepted by the Fund.

The Fund will only give effect to Share transfers that it considers clear and complete. The Administrator may require from the transferor and/or the transferee all of the information and supporting documentation it deems necessary to give effect to the transfer. Investors are advised to contact the Administrator prior to requesting a transfer to ensure that they have all the correct documentation for the transaction. The Fund may delay the acceptance of unclear or incomplete transfer orders until reception of all necessary information and supporting documentation in a form satisfactory to the Fund. Unclear or incomplete transfer orders may lead to delays in their execution. The Fund will not accept liability for any loss suffered by transferors and/or transferees as a result of unclear or incomplete transfer orders.

8.8 **Special considerations**

8.8.1 **Minimum subscription and holding amounts**

The subscription for Shares may be subject to a minimum initial subscription amount and/or additional subscription amount, as specified for each Share Class in the Supplement. The Fund may reject any application for subscription for or conversion into Shares of a Share Class which does not meet the applicable minimum initial subscription amount or additional subscription amount for that Share Class, if any.

In addition, the holding of Shares may be subject to a minimum holding amount, as specified for each Share Class in the Supplement. The Fund may treat any application for redemption or conversion of part of a holding of Shares in a Share Class as a deemed application for redemption or conversion of the entire holding of the redeeming investor in that Share Class if, as a result of such application, the Net Asset Value of the Shares retained by the investor in that Share Class would fall below the applicable minimum holding amount. Alternatively, the Fund may grant a grace period to the investor so as to allow him to increase his holding to at least the minimum holding amount.

The Fund may further deny giving effect to any transfer of Shares if, as a result of such transfer, the Net Asset Value of the Shares retained by the transferor in a Share Class would fall below the minimum holding amount for that Share Class, or if the Net Asset Value of the Shares acquired by the transferee in a Share Class would be less than the minimum initial or additional subscription amounts, as applicable. In such cases, the Fund will notify the transferor that it will not give effect to the transfer of the Shares.

Alternatively, the Fund has the discretion, from time to time, to waive any applicable minimum initial subscription amount, minimum additional subscription amount and/or minimum holding amount provided that investors are treated fairly. In particular, the Fund may waive all or part of such requirements for investments made by certain nominees and other professional intermediaries.

8.8.2 **Minimum or maximum level of assets under management**

The Fund may decide to cancel the launch of a Sub-Fund or Share Class before the end of the Initial Offer where that Sub-Fund or Share Class has not reached the minimum or expected level of assets under management for such Sub-Fund or Share Class to be operated in an economically efficient manner. In such event, applications for subscription will be refused and subscription proceeds previously received by the Fund will be returned to the applicant.

Where applications for redemptions or conversions out of a Sub-Fund or Share Class on a particular Redemption Day or Conversion Day represent the total number of Shares in issue in that Sub-Fund or Share Class, or the remaining number of Shares in issue after such redemptions or conversions would represent a total Net Asset Value below the minimum level of assets under management required for such Sub-Fund or Share Class to be operated in an efficient manner, the Fund may decide to terminate and liquidate the Sub-Fund or Share Class in accordance with the procedure set out in section 11.9 (Liquidation) below. In such a case, all remaining Shares of the Sub-Fund or Share Class will be redeemed.

The Fund may also decide to close a Sub-Fund or Share Class to new subscriptions or new investors where that Sub-Fund or Share Class has reached or is about to reach its maximum or expected level of

assets under management, where accepting new subscriptions or investors would be detrimental to the performance of the Sub-Fund or Share Class, or in other circumstances determined by the Board of Directors. In such events, applications for subscription will be refused, in whole or in part, and subscription proceeds previously received by the Fund will be returned to the applicant.

8.8.3 Suspension of issue, redemption or conversion of Shares

The issue, redemption or conversion of Shares in a Share Class shall be suspended whenever the determination of the Net Asset Value per Share of such Share Class is suspended by the Fund in accordance with section 9.4 (Temporary suspension of the Net Asset Value calculation) below and in other circumstances specified in the Articles of Association and this Prospectus.

Suspended subscriptions, redemptions and conversions will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Fund before the end of the suspension period.

8.8.4 Deferral of subscription, redemption or conversion of Shares

If the Fund determines that it would be detrimental to the existing Shareholders to accept a subscription application that exceeds a certain level determined by the Fund, the Fund may postpone the acceptance of such subscription application and, in consultation with the incoming Shareholder, may require such incoming Shareholder to stagger their proposed subscription over an agreed period of time.

If on any given Redemption Day or Conversion Day, applications for redemption or conversion of Shares out of a Sub-Fund or Share Class represent in aggregate more than ten percent (10%) of the Net Asset Value of the Sub-Fund or Share Class, the Fund may decide that part (on a *pro rata* basis) or all of such requests for redemption or conversion will be deferred to the next or subsequent Redemption Days or Conversion Days for a period generally not exceeding ten (10) Business Days until the application is processed in full. On a next or subsequent Redemption Day or Conversion Day, deferred redemption or conversion requests will be met in priority to requests submitted in respect of such Redemption Day or Conversion Day.

The Fund also reserves the right to postpone the payment of redemption proceeds after the end of the normal Redemption Settlement Period in accordance with the provisions set out in section 8.5 (Redemption of Shares) above.

As an alternative to deferring applications for redemptions, the Fund may propose to an investor, who accepts, to settle a redemption application, in whole or in part, by a distribution in kind of certain assets of the Sub-Fund or Share Class in lieu of cash, subject to the conditions set out in section 8.5 (Redemption of Shares) above.

8.9 Late trading, market timing and other prohibited practices

The Fund does not permit late trading practices as such practices may adversely affect the interests of investors. In general, late trading is to be understood as the acceptance of a subscription, redemption or conversion order for Shares after the Cut-Off Time for a Subscription Day, Redemption Day or Conversion Day and the execution of such order at a price based on the Net Asset Value applicable to

such same day. However, as mentioned above, the Fund may accept subscription, conversion or redemption applications received after the Cut-Off Time, in circumstances where the subscription, redemption or conversion applications are dealt with on an unknown Net Asset Value basis, provided that it is in the interest of the Sub-Fund and that investors are fairly treated. In particular, the Fund may waive the Cut-Off Time where an intermediary submits the application to the Administrator after the Cut-Off Time provided that such application has been received by the intermediary from the investor in advance of the Cut-Off Time.

Subscriptions and conversions of Shares should be made for investment purposes only. The Fund does not permit market timing or other excessive trading practices. Market timing is to be understood as an arbitrage method by which an investor systematically subscribes and redeems or converts Shares of the same Sub-Fund or Share Class within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value. Excessive, short-term (market timing) trading practices may disrupt portfolio management strategies and harm fund performance. To minimise harm to the Fund and other investors, the Fund has the right to reject any subscription or conversion order, from any investor who is engaging or is suspected of engaging in excessive trading, or has a history of excessive trading, or if an investor's trading, in the opinion of the Board of Directors, has been or may be disruptive to the Fund. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control.

The Fund also has the power to compulsorily redeem all Shares held by, on behalf or for the account or benefit of, an investor who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, in accordance with the procedure set out in this Prospectus. The Board of Directors considers such persons as Prohibited Persons.

The Fund will not be held liable for any loss resulting from rejected orders or compulsory redemptions.

8.10 Prohibited Persons

The Articles of Association give powers to the Board of Directors to restrict or prevent the legal or beneficial ownership of Shares or prohibit certain practices such as late trading and market timing by any person (individual, corporation, partnership or other entity), if in the opinion of the Board of Directors such ownership or practices may (i) result in a breach of any provisions of the Articles of Association, the Prospectus or the laws or regulations of any jurisdiction, or (ii) require the Fund, the Management Company or the Investment Manager to be registered under any laws or regulations whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or in any other jurisdiction, or (iii) may cause the Fund, the Management Company or the Investment Manager or the investors any legal, regulatory, taxation, administrative or financial disadvantages which they would not have otherwise incurred (a Prohibited Person).

The Board of Directors has decided that US Persons will subject to certain exceptions be considered as Prohibited Persons. By signing a Subscription Form, an applicant will certify, represent, warrant and agree that he is not a US Person or that the Shares applied for are not being acquired directly or indirectly by, on behalf or for the account or benefit of, a US Person. An applicant will further certify, represent, warrant and agree that the applicant will notify the Fund in the event that either the applicant becomes a US Person or holds the Shares on behalf of, or for the account or benefit of, a US Person. If an applicant's status changes and it becomes a US Person, it must notify the relevant party as mentioned above within thirty (30) days. The

Board of Directors has also decided that any person not qualifying as an Eligible Investor will be considered as a Prohibited Person.

Furthermore, the Board of Directors has decided that any person who is or has been engaged in, or is suspected of being engaged in, late trading, market timing or other excessive trading, directly or indirectly, as described in section 8.9 (Late trading, market timing and other prohibited practices) above, will be considered as a Prohibited Person.

A Shareholder of the Fund may further become a Prohibited Person if such Shareholder does not cooperate with the Company or its representatives in order to ensure that the Fund complies with its anti-money laundering and combating the financing of terrorism obligations, as provided for in the applicable Luxembourg laws and regulations and as specified in the AML/CFT policy and procedures of the Fund. In particular, a Shareholder who will not provide the Fund with a necessary update of customer due diligence information and/or documents including information and documents regarding relevant representatives and beneficial owners of the Shareholder may be categorised in compliance with the Articles of Association as a Prohibited Person.

The Fund may decline to issue any Shares and to accept any transfer of Shares, where it appears that such issue or transfer would or might result in Shares being acquired or held by, on behalf or for the account or benefit of, Prohibited Persons. The Fund may require at any time any investor or prospective investor to provide the Fund with any representations, warranties, or information, together with supporting documentation, which the Fund may consider necessary for the purpose of determining whether the issue or transfer would result in Shares being held by, on behalf or for the account or benefit of, a Prohibited Person.

The Fund may compulsorily redeem all Shares held by, on behalf or for the account or benefit of, Prohibited Persons or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties, documents or information in a timely manner. In such cases, the Fund will notify the investor of the reasons which justify the compulsory redemption of Shares, the number of Shares to be redeemed and the indicative Redemption Day on which the compulsory redemption will occur. The Redemption Price shall be determined in accordance with section 8.5 (Redemption of Shares) above.

The Fund may also grant a grace period to the investor for remedying the situation causing the compulsory redemption, for instance by transferring the Shares to one or more investors who are not Prohibited Persons and do not act on behalf or for the account or benefit of, Prohibited Persons, and/or propose to convert the Shares held by any investor who fails to satisfy the investor eligibility requirements for a Shares Class into Shares of another Share Class available for such investor.

The Fund reserves the right to require the investor to indemnify the Fund against any losses, costs or expenses arising as a result of any Shares being held by, on behalf or for the account or benefit of, a Prohibited Person or investors who are found to be in breach of, or have failed to provide, the abovementioned representations, warranties or information in a timely manner. The Fund may pay such losses, costs or expenses out of the proceeds of any compulsory redemption described above and/or redeem all or part of the investor's other Shares, if any, in order to pay for such losses, costs or expenses.

8.11 Prevention of money laundering and terrorist financing

The Fund must comply with applicable international and Luxembourg laws and regulations regarding AML/CFT, including in particular with the 2004 Law, the Grand-ducal regulation of 1 February 2010 providing details on certain provisions of the 2004 Law, the CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended, (“**CSSF Regulation 12-02**”) and further implementing regulations and CSSF circulars in the field of AML/CFT, adopted from time to time (collectively referred to as the “**AML/CFT Regulations**”). In particular, AML/CFT Regulations in force in Luxembourg require the Fund, on a risk sensitive basis, to establish and verify the identity of subscribers for Shares (and of any person purporting to act on behalf of or for such subscriber is so authorised as well as the identity of any intended beneficial owners of the Shares if they are not the subscribers) on the basis of documents, data or information obtained from a reliable and independent source and, amongst others, to gather information on the origin of subscription proceeds and to monitor the business relationship on an ongoing basis.

In this context, the Fund, and, as the case may be, the Administrator on the Fund’s behalf, are required to establish AML/CFT controls and may require from subscribers for Shares all information and supporting documentation deemed necessary to establish and verify the identity of a subscriber (as well as of any of the above-mentioned persons) as well as the nature and the intended purposes of the business relationship.

Subscribers for Shares will be required to provide to the Fund at least the information and supporting documentation set out in the Subscription Form, depending on their legal form (individual, corporate or other category of subscriber) noting that the information and documents set out therein may not in all cases be regarded as exhaustive and thus can be changed from time to time, including inter alia in case of any legal and regulatory changes related to AML/CFT or changes of the business practices of the Fund.

In any case, the Fund and/or its delegate have the right to request additional information until being reasonably satisfied that it understands the identity and economic purpose of the subscriber and in order to being able to comply with the AML/CFT Regulations. Furthermore, any investor is required to notify the Fund or its delegate of any change of its information as set out in the Subscription Form and, as the case may be, prior to the occurrence of any change in the identity of any beneficial owner of Shares. In addition, the 2004 Law requires the Fund to conduct an ongoing monitoring of the business relationship with existing investors which includes, inter alia, the obligation to verify and, where appropriate, to update, within an appropriate timeframe, the documents, data or information gathered while fulfilling the customer due diligence obligations. In this context, the Fund may require from existing investors, at any time, additional information together with all supporting documentation deemed necessary for the Fund to comply with AML/CFT Regulations in force in Luxembourg. Each Shareholder has therefore the obligation to provide the Fund with updated personal information and documents relating to its/his/her own person and its/his/her respective representatives, if any, as well as regarding its/his/her respective beneficial owners. A Shareholder who is not providing relevant information and documents within thirty (30) Business Days after written request from the Fund can be categorised as a “Non-cooperative Shareholder” and the respective accounts of such Shareholder may be blocked for subscriptions, redemptions, conversions and distributions. All respective remediation measures and costs of the Fund with respect to a Non-cooperative Shareholder in order to comply with the Fund’s ongoing due diligence obligations can be charged to the respective Non-cooperative Shareholder.

Agreements may be entered into with intermediaries pursuant to which these agree to act as or appoint intermediaries subscribing for Shares in their own name through their facilities (e.g. distribution- and/or nominee agreements) but on behalf of their own underlying investors (and thus the intermediary-investor being directly registered in the Fund's shareholder register). As a result, in particular, the due diligence with regard to such intermediary generally takes place at two levels, including inter alia:

- (i) A risk-based customer due diligence on the intermediary (by using reliable, independent source documents, data or information) as well as on its beneficial owners, such that notably the Fund is satisfied that it knows who the beneficial owner(s) of the intermediary are.
- (ii) In addition, the Fund or its delegate will perform enhanced due diligence measures with respect to such intermediary pursuant to article 3 of the CSSF Regulation 12-02 as well as article 3-2 (3) of the 2004 Law.

Failure to provide information or documentation deemed necessary for the Fund to comply with AML/CFT Regulations in force in Luxembourg may result in delays in, or rejection of, any subscription or conversion application and/or delays in any redemption application. No liability for any interest, costs or compensation will be accepted. Similarly, when Shares are issued, they cannot be redeemed or converted until full details of registration and AML/CFT documents of the shareholder have been completed. Furthermore, in such case, the Fund and/or the Administrator may take the measures that it considers to be appropriate, including but not limited to, the blocking of such shareholder's account until the receipt of the information and documents required. Any costs (including account maintenance costs) which are related to non-cooperation of such Shareholder will be borne by the respective Shareholder. In addition to the due diligence measures on investors, pursuant to article 34(2) of CSSF Regulation 12-02, the Fund is also required to apply precautionary measures regarding the assets of the Fund. The Fund should assess, using its risk-based approach, the extent to which the offering of its products and services presents potential vulnerabilities to placement, layering or integration of criminal proceeds into the financial system.

Pursuant to the law of 19 December 2020 on the implementation of restrictive measures in financial matters, the application of international financial sanctions must be enforced by any Luxembourg natural or legal person, as well as any other natural or legal person operating in or from the Luxembourg territory. As a result, prior to investing in assets, the Fund must, as a minimum, screen the name of such assets or of the issuer against the target financial sanctions lists.

Pursuant to the Luxembourg law of 13 January 2019 on the register of beneficial owners (the "**RBO Law**"), the Fund is required to collect, hold accurate and up-to-date and make available certain information on its "beneficial owner(s)" (as defined in the 2004 Law) and relevant supporting evidence. Such information includes, as further specified in the RBO Law, among others, first and last name, nationality, country of residence, personal or professional address, national identification number and information on the nature and the scope of the beneficial ownership interest held by each beneficial owner in the Fund. The Fund is further required, among others, (i) to make such information available upon request to certain Luxembourg national authorities (including the CSSF, the *Commissariat aux Assurances*, the *Cellule de Renseignement Financier*, Luxembourg tax and other national authorities as defined in the RBO Law) and upon motivated request of other professionals of the financial sector subject to the AML/CFT Regulations, and (ii) to register such information and supporting evidence in the register of beneficial owners (the "**RBO**") which will be accessible to third parties with a legitimate

interest, including (i) national authorities or (ii) professionals subject to the 2004 Law in order to ensure AML/CFT compliance.

Under the RBO Law, criminal sanctions may be imposed on the Fund in case of its failure to comply with the obligations to collect and make available the required information, but also on any beneficial owner(s) that fail to make all relevant necessary information available to the Fund. Any shareholder that fails to comply with the Fund's information or documentation requests may be held liable for penalties imposed on the Fund as a result of such Shareholder's failure to provide the information or subject to disclosure of the information by the Fund to the Luxembourg national authorities and the Fund may, in its sole discretion, redeem the Shares of such Shareholders.

9. VALUATION AND NET ASSET VALUE CALCULATION

The Net Asset Value of each Sub-Fund and Share Class is determined by performing a valuation of the assets and liabilities of the Fund and allocating them to the Sub-Funds and Share Classes, in order to calculate the Net Asset Value per Share of each Share Class of each Sub-Fund. The method for the valuation of the assets and liabilities, the allocation to the Sub-Funds and Share Classes, and the calculation of the Net Asset Value is set out in the Articles of Association and is also described in this section of the Prospectus.

9.1 Calculation of the Net Asset Value

The Net Asset Value per Share shall be determined by the Administrator as of each Valuation Day as specified for each Sub-Fund in the Supplement and at least twice a month. It shall be calculated by dividing the Net Asset Value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to six (6) decimal places.

The Net Asset Value of a Share Class is equal to the value of the assets allocated to such Share Class within a Sub-Fund less the value of the liabilities allocated to such Share Class, both being calculated as of each Valuation Day according to the valuation procedure described below.

The Net Asset Value of a Sub-Fund is equal to the value of the assets allocated to such Sub-Fund less the value of the liabilities allocated to such Sub-Fund, both calculated as of each Valuation Day in the Reference Currency of the Sub-Fund (except that when there exists any state of affairs which in the opinion of the Board of Directors makes the determination in such currency either not reasonably practical or prejudicial to the Shareholders, the Net Asset Value may temporarily be determined in such other currency as the Board of Directors may determine) according to the valuation procedure described below.

The Net Asset Value of the Fund will at all times be equal to the sum of the Net Asset Values of all Sub-Funds expressed in the Reference Currency of the Fund. The Net Asset Value of the Fund must at all times be at least equal to the minimum share capital required by the 2010 Law which is EUR 1,250,000, except during the first six (6) months after the approval of the Fund by the CSSF.

9.2 Valuation procedure

9.2.1 General

The assets and liabilities of the Fund will be valued in accordance with the Articles of Association and the provisions outlined below.

The Board of Directors may apply other valuation principles or alternative methods of valuation that it considers appropriate in order to determine the probable realisation value of any asset if applying the rules described below appears inappropriate or impracticable.

The Board of Directors may adjust the value of any asset if the Board of Directors determines that such adjustment is required to reflect its fair value taking into account its denomination, maturity, liquidity, applicable or anticipated interest rates or dividend distributions or any other relevant considerations.

If, after the time of determination of the Net Asset Value but before publication of the Net Asset Value for a Valuation Day, there has been a material change affecting the exchanges or markets on which a substantial portion of the investments of a Sub-Fund are quoted, listed or traded, the Board of Directors may cancel the first valuation and carry out a second valuation in order to safeguard the interest of investors. In such a case, the Net Asset Value used for processing subscription, redemption and conversion applications for that Valuation Day will be based on the second calculation.

For the purpose of calculating the Net Asset Value in accordance with the valuation principles set out below, the Board of Directors has authorised the Administrator to rely in whole or in part upon valuations provided by available pricing sources for the relevant asset, including data vendors and pricing agencies (such as Bloomberg or Reuters), fund administrators, brokers, dealers and valuation specialists, provided that such pricing sources are considered reliable and appropriate and provided that there is no manifest error or negligence in such valuations. In the event that valuations are not available or valuations may not correctly be assessed using such pricing sources, the Administrator will rely upon valuation methods and determinations provided by the Board of Directors.

The Board of Directors and the Administrator may consult with and seek the advice of the Investment Manager in valuing the Fund's assets.

In the absence of fraud, bad faith, gross negligence or manifest error, any decision taken in accordance with the Articles of Association and the Prospectus by the Board of Directors or any agent appointed by the Board of Directors in connection with the valuation of the Fund's assets and the calculation of the Net Asset Value of the Fund, a Sub-Fund or a Share Class, the Net Asset Value per Share will be final and binding on the Fund and on all investors, and neither the Board of Directors nor any agent appointed by the Board of Directors shall accept any individual liability or responsibility for any determination made or other action taken or omitted by them in this connection.

9.2.2 Assets of the Fund

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the assets of the Fund shall include the following:

- (a) all cash on hand or on deposit, including any outstanding accrued interest;

- (b) all bills and any types of notes or accounts receivable, including outstanding proceeds of any disposal of financial instruments;
- (c) all securities and financial instruments, including shares, bonds, notes, certificates of deposit, debenture stocks, options or subscription rights, warrants, money market instruments and all other investments belonging to the Fund;
- (d) all dividends and distributions payable to the Fund either in cash or in the form of stocks and shares (which will normally be recorded in the Fund's books as of the ex-dividend date, provided that the Fund may adjust the value of the security accordingly);
- (e) all outstanding accrued interest on any interest-bearing instruments belonging to the Fund, unless this interest is included in the principal amount of such instruments;
- (f) the formation expenses of the Fund or a Sub-Fund, to the extent that such expenses have not already been written off; and
- (g) all other assets of any kind and nature including expenses paid in advance.

9.2.3 Liabilities of the Fund

Subject to the rules on the allocation to Sub-Funds and Share Classes below, the liabilities of the Fund shall include the following:

- (a) all loans, bills or accounts payable, accrued interest on loans (including accrued fees for commitment for such loans);
- (b) all known liabilities, whether or not already due, including all contractual obligations that have reached their term, involving payments made either in cash or in the form of assets, including the amount of any dividends declared by the Fund but not yet paid;
- (c) a provision for any tax accrued to the Valuation Day and any other provisions authorised or approved by the Fund; and
- (d) all other liabilities of the Fund of any kind recorded in accordance with applicable accounting rules, except liabilities represented by Shares. In determining the amount of such liabilities, the Fund will take into account all expenses, fees, costs and charges payable by the Fund as set out in section 10 (Fees and expenses) below.

Adequate provisions shall be made for unpaid administrative and other expenses of a regular or recurring nature based on an estimated amount accrued for the applicable period. Any off-balance sheet liabilities shall duly be taken into account in accordance with fair and prudent criteria.

The fees and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to **five (5)** years. The formation expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to **five (5)** years. New

Sub-Funds created after the incorporation and launch of the Fund **will not** participate in the non-amortised costs of establishment of the Fund.

9.2.4 Valuation principles

In accordance with the Articles of Association, the valuation of the assets of the Fund will be conducted as follows:

- (a) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.
- (b) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs (c) and (f) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- (c) Notwithstanding paragraph (b) above, where permitted under applicable laws and regulations, Money Market Instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.
- (d) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value

estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

- (e) Financial derivative instruments which are traded “over-the-counter” (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.
- (f) Notwithstanding paragraph (b) above, shares or units in target investment funds (including UCITS and UCI) will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph (b) above.
- (g) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- (h) Currencies are valued at the applicable foreign currency exchange rate for currencies held as assets as well as for value conversion of securities denominated in a currency other than the Reference Currency.

9.2.5 Allocation of assets and liabilities to Sub-Funds and Share Classes

Assets and liabilities of the Fund will be allocated to each Sub-Fund and Share Class in accordance with the provisions of the Articles of Association, as set out below, and the Supplement of the Sub-Fund.

- (a) The proceeds from the issue of Shares of a Sub-Fund or Share Class, all assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets attributable to or deriving from such investments, as well as all increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. The assets allocated to each Share Class of the same Sub-Fund will be invested together in accordance with the investment objective, policy, and strategy of that Sub-Fund, subject to the specific features and terms of issue of each Share Class of that Sub-Fund, as specified in its Supplement (see section 8.1 (Shares, Sub-Funds and Share Classes) above).

- (b) All liabilities of the Fund attributable to the assets allocated to a Sub-Fund or Share Class or incurred in connection with the creation, operation or liquidation of a Sub-Fund or Share Class will be charged to that Sub-Fund or Share Class and, together with any increase or decrease in the value thereof, will be allocated to that Sub-Fund or Share Class and recorded in its books. In particular and without limitation, the costs and any benefit of any Share Class specific feature will be allocated solely to the Share Class to which the specific feature relates.
- (c) Any assets or liabilities not attributable to a particular Sub-Fund or Share Class may be allocated by the Board of Directors in good faith and in a manner which is fair to investors generally and will normally be allocated to all Sub-Funds or Share Classes *pro rata* to their Net Asset Value.

Subject to the above, the Board of Directors may at any time vary the allocation of assets and liabilities previously allocated to a Sub-Fund or Share Class.

9.2.6 Additional rules for assets and liabilities of the Fund

In calculating the Net Asset Value of each Sub-Fund or Share Class the following principles will apply.

- (a) Each Share agreed to be issued by the Fund on each Subscription Day will be deemed to be in issue and existing immediately after the time of valuation on the Subscription Day. From such time and until the Subscription Price is received by the Fund, the assets of the Sub-Fund or Share Class concerned will be deemed to include a claim of that Sub-Fund or Share Class for the amount of any cash or other property to be received in respect of the issue of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be increased by such amount immediately after the time of valuation on the Subscription Day.
- (b) Each Share agreed to be redeemed by the Fund on each Redemption Day will be deemed to be in issue and existing until and including the time of valuation on the Redemption Day. Immediately after the time of valuation and until the Redemption Price is paid by the Fund, the liabilities of the Sub-Fund or Share Class concerned will be deemed to include a debt of that Sub-Fund or Share Class for the amount of any cash or other property to be paid in respect of the redemption of such Shares. The Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount immediately after the time of valuation on the Redemption Day.
- (c) Following a declaration of dividends for Distribution Shares on a Valuation Day determined by the Fund to be the distribution accounting date, the Net Asset Value of the Sub-Fund or Share Class will be decreased by such amount as of the time of valuation on that Valuation Day.
- (d) Where assets have been agreed to be purchased or sold but such purchase or sale has not been completed at the time of valuation on a given Valuation Day, such assets will be included in or excluded from the assets of the Fund, and the gross purchase price payable or net sale price receivable will be excluded from or included in the assets of the Fund, as if such purchase or sale had been duly completed at the time of valuation on that Valuation Day, unless the Fund has reason to believe

that such purchase or sale will not be completed in accordance with its terms. If the exact value or nature of such assets or price is not known at the time of valuation on the Valuation Day, its value will be estimated by the Fund in accordance with the valuation principles described above.

- (e) The value of any asset or liability denominated or expressed in a currency other than the Reference Currency of the Fund, Sub-Fund or Share Class will be converted, as applicable, into the Reference Currency of the Fund, Sub-Fund or Share Class at the prevailing foreign exchange rate at the time of valuation on the Valuation Day concerned which the Board of Directors considers appropriate.

If since the last Valuation Day, there has been a material change in the quotations on the markets on which a substantial portion of the investments of the Company attributable to a particular Sub-Fund is dealt in or listed, the Board of Directors may, in order to safeguard the interest of the Shareholders and the Company, cancel the first valuation and carry out a second valuation; in this case, all the requests for subscription, redemption or conversion received to be executed on the first valuation will be executed on the second valuation.

9.3 Publication of the Net Asset Value

The publication of the Net Asset Values will take place on the next Business Day after a Valuation Day unless otherwise provided for in the Supplement. The Net Asset Value per Share of each Share Class within each Sub-Fund will be available from the Administrator and/or Distributors during normal business hours and is published on www.luxcellence.com.

9.4 Temporary suspension of the Net Asset Value calculation

The Board of Directors may temporarily suspend the calculation and publication of the Net Asset Value per Share of any Share Class in any Sub-Fund and/or where applicable, the issue, redemption and conversion of Shares of any Share Class in any Sub-Fund in the following cases:

- (a) when any exchange or regulated market that supplies the price of the assets of a Sub-Fund is closed, otherwise than on ordinary holidays, or in the event that transactions on such exchange or market are suspended, subject to restrictions, or impossible to execute in volumes allowing the determination of fair prices;
- (b) when the information or calculation sources normally used to determine the value of the assets of a Sub-Fund are unavailable;
- (c) during any period when any breakdown or malfunction occurs in the means of communication network or IT media normally employed in determining the price or value of the assets of a Sub-Fund, or which is required to calculate the Net Asset Value per Share;
- (d) when exchange, capital transfer or other restrictions prevent the execution of transactions of a Sub-Fund or prevent the execution of transactions at normal rates of exchange and conditions for such transactions;

- (e) when exchange, capital transfer or other restrictions prevent the repatriation of assets of a Sub-Fund for the purpose of making payments on the redemption of Shares or prevent the execution of such repatriation at normal rates of exchange and conditions for such repatriation;
- (f) when the legal, political, economic, military or monetary environment, or an event of force majeure, prevent the Fund from being able to manage the assets of a Sub-Fund in a normal manner and/or prevent the determination of their value in a reasonable manner;
- (g) when there is a suspension of the net asset value calculation or of the issue, redemption or conversion rights by the investment fund(s) in which a Sub-Fund is invested;
- (h) following the suspension of the net asset value calculation and/or the issue, redemption and conversion at the level of a Master Fund in which a Sub-Fund invests as a Feeder Fund;
- (i) when, for any other reason, the prices or values of the assets of a Sub-Fund cannot be promptly or accurately ascertained or when it is otherwise impossible to dispose of the assets of the Sub-Fund in the usual way and/or without materially prejudicing the interests of investors;
- (j) following a possible decision of the Board of Directors (i) to convene an extraordinary general meeting of shareholders for the purpose of dissolving and liquidating the Fund or (ii) to inform them about the termination and liquidation of a Sub-Fund or Share Class, and (iii) more generally, during the process of liquidation of the Fund, a Sub-Fund or Share Class;
- (k) during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- (l) during any period when the dealing of the Shares of a Sub-Fund or Share Class on any relevant stock exchange where such Shares are listed is suspended or restricted or closed; and
- (m) in exceptional circumstances, whenever the Board of Directors considers it necessary in order to avoid irreversible negative effects on the Fund, a Sub-Fund or Share Class, in compliance with the principle of fair treatment of investors in their best interests.

In the event of exceptional circumstances which could adversely affect the interest of investors or where significant requests for subscription, redemption or conversion of Shares are received for a Sub-Fund or Share Class, the Board of Directors reserves the right to determine the Net Asset Value per Share for that Sub-Fund or Share Class only after the Fund has completed the necessary investments or divestments in securities or other assets for the Sub-Fund or Share Class concerned.

The issue, redemption and conversion of Shares in the any Share Class will also be suspended during any such period when the Net Asset Value of such Share Class is not calculated and published.

Any decision to suspend the calculation and publication of the Net Asset Value per Share and/or where applicable, the issue, redemption and conversion of Shares of a Share Class, will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed.

The suspension of the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any Sub-Fund or Share Class will have no effect on the calculation of the Net Asset Value and/or, where applicable, of the subscription, redemption and/or conversion of Shares in any other Sub-Fund or Share Class.

Suspended subscription, redemption, and conversion applications will be treated as deemed applications for subscriptions, redemptions or conversions in respect of the first Subscription Day, Redemption Day or Conversion Day following the end of the suspension period unless the investors have withdrawn their applications for subscription, redemption or conversion by written notification received by the Administrator before the end of the suspension period.

10. FEES AND EXPENSES

10.1 Subscription Fee, Redemption Fee and Conversion Fee

Subscriptions for Shares may be subject to a Subscription Fee and redemptions of Shares may be subject to a Redemption Fee both calculated as specified in the Supplement, where applicable. Conversions of Shares may be subject to a Conversion Fee calculated as specified in the Supplement, where applicable. For the avoidance of doubt, no Subscription Fee or Redemption Fee will apply on conversions in addition to the Conversion Fee, if any.

Where applicable, an identical Subscription Fee, Redemption Fee, or Conversion Fee will apply, respectively, to all subscriptions, redemptions and conversions of Shares in each Share Class processed on the same Subscription Day, Redemption Day or Conversion Day.

Should a Sub-Fund qualify as a Master Fund, no Subscription Fee, Redemption Fee or Conversion Fee will be charged in respect of subscription, redemption or conversion requests of any Feeder Fund of that Master Fund.

Banks and other financial intermediaries appointed by or acting on behalf of the investors, where applicable, may charge administration and/or other fees or commissions to the investors pursuant to arrangements between those banks or other financial intermediaries and the investors. The Fund has no control over such arrangements.

10.2 Management Company Fee

The Management Company will be entitled to an annual variable fee up to a percentage of 0.050% of the **average** Net Asset Value of the Fund, with a minimum of €70.000 for the whole Fund, without prejudice to other costs and fees due to the Management Company (e.g. for the KID services, the cross-border registration services and the third party AML/CFT compliance officer services) and paid out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 9.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above). The detailed information on the Management Company Fee is disclosed for each Sub-Fund in the Supplement of this Prospectus. The Management Company Fee will accrue on each Valuation Day and will be payable at the rate

specified in the Supplement for each Sub-Fund or Share Class. The Management Company will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

10.3 Investment Management Fee

The Investment Manager will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund or Share Class consistent with market practice, subject to the annual rate as set out in the Supplement for each Sub-Fund or Share Class. The Investment Management fee will accrue on each Valuation Day and will be payable quarterly in arrears] out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 9.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Investment Manager will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

10.4 Performance Fee

To the extent applicable, performance fees may be payable according to the criteria represented in the relevant Supplement.

10.5 Domiciliary Agent Fee

The Domiciliary Agent will be entitled to an annual fee equal to an annual flat fee consistent with market practice in Luxembourg. The Domiciliary Agent Fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 9.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above.

10.6 Fees of the Depositary and the Administrator

The Depositary will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a minimum flat fee per Sub-Fund per annum. The Depositary fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 9.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each Sub-Fund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Administrator will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg, subject to a minimum flat fee for the umbrella Fund per annum. The Administrator fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of the Fund and allocated to each Sub-Fund and Share Class (as described in section 9.2.5 (Allocation of assets and liabilities to Sub-Funds and Share Classes) above. The Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Further fees may be payable to the Depositary and the Administrator in consideration of ancillary services rendered to the Fund and relating to the core services of the Depositary and the Administrator.

10.7 Fees of the Global Distributor

The Global Distributor will be entitled to retrocession fees paid out of the Investment Management Fee.

10.8 Directors' fees and expenses

The members of the Board of Directors are entitled to receive a fee in consideration for their function. However, members of the Board of Directors who are also directors, officers or employees of the Investment Manager or of the Global Distributor or their affiliates will be requested to waive their fees. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question.

10.9 Operating and Administrative Expenses

The Fund bears all ordinary costs and expenses incurred in the operation and administration of the Fund or any Sub-Fund or Share Class ("**Operating and Administrative Expenses**") including but not limited to costs and expenses incurred in connection with:

- (a) preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a Sub-Fund or Share Class that are required by applicable laws and regulations (such as the Articles of Association, this Prospectus, PRIIPS key information document, financial reports and notices to investors) or any other documents and materials made available to investors (such as share prices, explanatory memoranda, statements, reports, factsheets and similar documents);
- (b) organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders;
- (c) professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;
- (d) investment services taken and/or data obtained by the Fund or the Management Company on behalf of the Fund (including fees and expenses incurred in obtaining investment research, systems and other services or data utilised for portfolio and risk management purposes);
- (e) the authorisation of the Fund, the Sub-Funds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;

- (f) initial and ongoing obligations relating to the registration and/or listing of the Fund, a Sub-Fund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
- (g) taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (*taxe d'abonnement*) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and
- (h) the reorganisation or liquidation of the Fund, a Sub-Fund or Share Class.

10.10 **Transaction costs**

Each Sub-Fund bears the costs and expenses arising from buying and selling portfolio assets and entering into other transactions in securities or other financial instruments, such as brokerage fees and commissions and all other fees, expenses, commissions, charges, premiums and interest paid to banks, brokers, execution agents or securities lending agents and/or incurred in participating in any securities lending, repurchase and buy-sell back programs, collateral management fees and associated costs and charges, exchange fees, taxes, levies and stamp duties chargeable in connection with transactions in securities or other financial, and any other transaction-related expenses.

10.11 **Extraordinary costs and expenses**

In order to safeguard the interests of the Fund and its investors, the Fund or any Sub-Fund may bear any extraordinary costs and expenses or other unforeseen charges including, without limitation, costs and expenses related to litigation and regulatory investigations (including penalties, fines, damages and indemnifications) and the full amount of any tax, levy, duty or similar charge imposed on the Fund or Sub-Fund that would not be considered as ordinary Operating and Administrative Expenses.

10.12 **Formation costs and expenses**

The costs and expenses incurred in connection with the formation of the Fund (including, if applicable, any transformation of the Fund) are estimated to an amount of approximately 300.000 EUR. Such costs and expenses will be borne by the Fund and may be amortised over a period of up to five (5) years from the date of incorporation of the Fund. The formation costs and expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five (5) years. New Sub-Funds created after the incorporation and launch of the Fund will not participate in the non-amortised formation costs and expenses of the Fund.

11. **GENERAL INFORMATION**

11.1 **Reports and financial statements**

The financial statements of the Fund will be prepared in accordance with Luxembourg GAAP.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year. Each year, the Fund will issue an Annual Report as of the end of the previous financial year comprising, *inter alia*, the audited financial statements of the Fund and each Sub-Fund and a report of the Board of Directors on the activities of the Fund. The Fund will also issue a Semi-Annual Report as of 30 June of the current financial year. The first financial year will end on 31 December 2025 and the first Annual Report will be issued as of 31 December 2025.

The Annual Report shall be made available to investors within four (4) months following the end of the reporting period and the Semi-Annual Report will be made available to investors within two (2) months following the end of the reporting period. Investors may obtain, upon request, a copy of the latest financial reports from the Fund free of charge and on www.luxcellence.com.

The Reference Currency of the Fund is the Euro. The Annual Report will comprise consolidated accounts of the Fund expressed in Euro as well as individual information on each Sub-Fund expressed in the Reference Currency of such Sub-Fund.

11.2 Meetings of shareholders

The annual general meeting of shareholders will be held within four (4) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Other general meetings of shareholders may be held at such place and time as indicated in the convening notice in order to decide on any other matters relating to the Fund. General meetings of shareholders of any Sub-Fund or any Share Class within a Sub-Fund may be held at such time and place as indicated in the convening notice in order to decide on any matters which relate exclusively to such Sub-Fund or Share Class.

Notices of all general meetings may be made through announcements filed with the Luxembourg Trade and Companies Register and be published at least fifteen (15) days before the meeting in *the Recueil électronique des sociétés et associations* (RESA) and a Luxembourg newspaper and sent to all registered shareholders by ordinary mail (*lettre missive*); alternatively, convening notices may be sent to registered shareholders by registered mail at least eight (8) calendar days prior to the meeting or if the addressees have individually accepted to receive the convening notices by another means of communication ensuring access to the information, by such means of communication. Convening notices will also be published and/or communicated to investors as required by applicable laws and regulations in other jurisdictions where the Shares are distributed. Notices will include the agenda and will specify the time and place of the meeting, the conditions of admission, and the quorum and voting requirements.

The requirements as to attendance, quorum, and majorities at all general meetings will be those laid down in the Articles of Association and in the 1915 Law. All shareholders may attend general meetings in person or by appointing another person as his proxy in writing or by facsimile, electronic mail or any other similar means of communication accepted by the Fund. A single person may represent several or even all shareholders of the Fund, a Sub-Fund or Share Class. Each Share entitles the shareholder to one (1) vote at all general meetings of shareholders of the Fund, and at all meetings of the Sub-Fund or Share Class concerned to the extent that such Share is a Share of such Sub-Fund or Share Class.

Shareholders holding together at least ten percent (10%) of the share capital or the voting rights may submit questions in writing to the board of directors relating to transactions in connection with the management of the Fund.

The Board of Directors may suspend the voting rights of any shareholder in breach of his obligations as described in this Prospectus, the Subscription Form or the Articles of Association. A shareholder may individually decide not to exercise, temporarily or permanently, all or part of his voting rights as described in the Articles of Association.

11.3 Investors' rights

Upon the issue of the Shares, the person whose name appears on the register of Shares will become a shareholder of the Fund in relation to the relevant Sub-Fund and Share Class. The Fund draws the investors' attention to the fact that, where an investor invests in the Fund through an intermediary acting in his own name but on behalf of the investor, it may not always be possible for the investor (i) to exercise certain shareholder rights, such as the right to participate in general meetings of shareholders, directly against the Fund or (ii) to be indemnified in case of Net Asset Value calculation errors and/or non-compliance with investment rules and/or other errors at the level of the Fund or Sub-Fund. Investors are advised to seek advice in relation to their rights which may be negatively impacted.

The Articles of Association are governed by, and construed in accordance with, the laws currently into force in Luxembourg.

There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of mandatory domestic provisions, renders a judgment against the Fund, the rules of the Brussels Ibis Regulation (regarding judgments from EU Member States) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU Member States) concerning the recognition and enforcement of foreign judgments apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

Absent a direct contractual relationship between the investors and the service providers mentioned in section 7 (Management and Administration) above, the investors will generally have no direct rights against service providers and there are only limited circumstances in which an investor can potentially bring a claim against a service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by a service provider is, *prima facie*, the Fund itself.

11.4 Changes to this Prospectus

The Board of Directors, in close cooperation with the Management Company, may from time to time amend this Prospectus to reflect various changes it deems necessary and in the best interest of the Fund, such as implementing changes to laws and regulations, changes to a Sub-Fund's objective and policy or changes to fees and costs charged to a Sub-Fund or Share Class. Any amendment of this Prospectus will require approval by the CSSF. In accordance with applicable laws and regulations, investors in the Sub-Fund or Share Class will be informed about the changes and, where required, will be given prior notice of any proposed material changes in order for them to request the redemption of their Shares should they disagree.

11.5 Documents available

Investors may, upon request, obtain a copy of the Articles of Association, this Prospectus, the applicable PRIIPS KID as well as of the latest Annual Report or Semi-Annual Report at the registered office of the Fund free of charge during business hours on any full bank business day in Luxembourg.

Starting as of 1 January 2023 and in accordance with Regulation (EU) 1286/2014, as amended, and the Commission Delegated Regulation (EU) 2017/653, as amended (collectively referred to as the “PRIIPs Regulation”), a key information document (“KID”) will be published for each Share Class where such Share Class is available to retail investors in the European Economic Area (“EEA”).

A retail investor within the meaning of the preceding paragraph means any person who is a retail client as defined in article 4(1), point (11), of Directive 2014/65/EU (“MiFID II”) (referred to herein as a “Retail Investor”).

A KID will be handed over to Retail Investors and professional investors, where Shares are made available, offered or sold in the EEA, in good time prior to their subscription in the Fund. In accordance with the PRIIPs Regulation, the KID will be provided to Retail Investors and professional investors (i) by using a durable medium other than paper or (ii) at www.luxcellence.com in which case it can also be obtained, upon request, in paper form from the registered office of the Fund or of the Global Distributor/sub-distributors free of charge.

The Investment Manager has adopted a “best execution” policy with the objective of obtaining the best possible result for the Fund when executing decisions to deal on behalf of the Fund or placing orders to deal on behalf of the Fund with other entities for execution. Further information on the best execution policy is available on the website of the Investment Manager (www.mutua.es/seguros-ahorro-inversion/mutuactivos-sau-sgiic/).

The Investment Manager has a strategy for determining when and how voting rights attached to ownership of a Sub-Fund's investments are to be exercised for the exclusive benefit of the Sub-Fund. A summary of this strategy as well as the details of the actions taken on the basis of this strategy is available on the website of the Investment Manager (www.mutua.es/seguros-ahorro-inversion/informacion-sostenibilidad/).

11.6 Complaints

Any investor having a complaint to make about the operations of the Fund may file a complaint by writing to the Management Company or to the registered office of the Fund. Details on the complaints handling procedure are available on the website of the Management Company on www.luxcellence.com/files/Complaint-procedure_EN.pdf.

11.7 Data protection

In accordance with the EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC accompanied with any implementing legislation applicable to them (together, the “Data Protection Law”), personal data of investors (including prospective investors) and of other individuals (including, but not limited to, directors, managers, agents and other representatives or employees of the investors) whose personal information

("Data Subject"), collected and provided to the Fund and the Management Company in the context of the investor's investments in the Fund may be stored on computer systems by electronic means or other means and processed by the Fund as data controller, and may be processed in certain circumstances by the Management Company and third party service providers acting as their delegates such as the central administration, as a data processor of the Fund.

In certain circumstances, the Management Company and the delegates of the Fund acting as data processor may, however, also act as data controller if and when processing personal data for the purposes of complying with their own legal and regulatory obligations (in particular in the context of their own AML and KYC related processes).

The Fund is committed to protecting the personal data of the Data Subjects, and have taken all necessary steps, to ensure compliance with the Data Protection Law in respect of personal data processed by it in connection with investments made into the Fund.

This includes (non-exclusively) actions required in relation to: information about processing of the investors' personal data and, as the case may be, consent mechanisms; procedures for responding to requests to exercise individual rights; contractual arrangements with suppliers and other third parties; security measures; arrangements for overseas data transfers and record keeping and reporting policies and procedures.

Personal data shall have the meaning given in the Data Protection Law and includes (non-exclusively) any information relating to an identified or identifiable individual, such as the investor's name, address, invested amount, the investor's individual representatives' names as well as the name of the ultimate beneficial owner, where applicable, and such investor's bank account details.

Personal data will be processed for the purpose of performing the Fund's, the Management Company's or the delegates' contractual obligations such as administration and management of the shares, processing of subscriptions, redemptions and conversions, and will also be processed in compliance with the legal obligations under Luxembourg law (such as the 2010 Law and the 1915 Law, prevention of terrorism financing and anti-money laundering legislation, prevention and detection of crime, tax law) and all other laws and regulations as may be issued by the European competent authorities, where necessary for the purposes of the Fund's, the Management Company's or their delegates' legitimate interests.

Personal data provided directly by Data Subjects in the course of their relationship with the Fund, in particular their correspondence and conversation with the Fund, the Management Company or their delegates may be recorded, and processed in compliance with the Data Protection Law.

The Fund, the Management Company or their delegates may share the personal data to their affiliates and to other entities which may be located outside the EEA. In such case they will ensure that the personal data are protected by appropriate safeguards.

The personal data may also be shared, in exceptional circumstances, with any courts and/or legal, regulatory, tax, government authorities in various jurisdictions as required by applicable law or regulation.

In compliance with the Data Protection Law, the Data Subjects have certain rights including the right to access their personal data, the right to have incomplete or inaccurate personal data corrected, the right

to object to and to restrict the use of the personal data, the right to ask for the deletion of their personal data, the right to receive their personal data in a structured, commonly used and machine-readable formatted and to transmit those data to another controller.

The Data Subjects have the right to submit queries or lodge a complaint about the processing of their personal data with the relevant data protection authority.

The personal data are not kept for longer than is necessary for the purposes for which they are processed.

When subscribing to the Shares, each investor will be informed of the processing of his/her personal data (or, when the investor is a legal person, of the processing of such investor's individual representatives and/or ultimate beneficial owners' personal data) via a data protection notice which will be made available i) in the application form issued by the Fund to the investors and ii) at the registered office of the Fund upon request. This data protection notice will inform the investors about the processing activities undertaken by the Fund, the Management Company and their delegates in more details.

11.8 Merger and reorganisation

11.8.1 Merger of the Fund or a Sub-Fund with other UCITS

The Board of Directors may decide to proceed with a merger (within the meaning of the 2010 Law) of the Fund, where the Fund is the receiving entity, with one or several other Luxembourg or foreign UCITS or sub-funds thereof. The Board of Directors may also decide to proceed with a merger (within the meaning of the 2010 Law) of one or several Sub-Funds, which may be the receiving or the merging Sub-Funds, with one or several other Sub-Funds within the Fund or with one or several other Luxembourg or foreign UCITS or sub-funds thereof. Such mergers do not require the prior consent of the shareholders.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the shareholders of the Fund or any Sub-Fund, as applicable, may also decide on any of the mergers described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund(s) concerned, as applicable. The convening notice will explain the reasons for and the process of the proposed merger.

The Fund may be merged (within the meaning of the 2010 Law) into one or several other Luxembourg or foreign UCITS, or sub-fund thereof, where the Fund is the merging entity, which thus ceases to exist as a result of the merger. In such case, the general meeting of shareholders of the Fund must decide on the merger and its effective date. The general meeting will decide by resolution taken with no quorum requirement and adopted by a simple majority of the votes validly cast.

In all cases described in the preceding paragraphs, a merger of the Fund or one or several Sub-Fund(s) will be subject to the conditions and procedures imposed by the 2010 Law, in particular concerning the common draft terms of the merger to be established by the Board of Directors and the information to be provided to investors.

11.8.2 Absorption of another UCI by the Fund or a Sub-Fund

The Fund may absorb another Luxembourg or foreign UCI (other than a UCITS) incorporated under a corporate form in compliance with the 1915 Law and any other applicable laws and regulations.

The Board of Directors may also decide to proceed, in accordance with applicable laws and regulations, with the absorption by the Fund or one or several Sub-Funds, including by way of merger or by acceptance of a contribution in kind, of a Luxembourg or foreign UCI (other than a UCITS) constituted under a non-corporate form, or one or several sub-funds of another Luxembourg or a foreign UCI (other than a UCITS) irrespective of its legal form.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of the Fund or any Sub-Fund, as applicable, may also decide on any of the absorptions described above as well as on the effective date thereof by resolution taken by the general meeting of shareholders of the Fund or Sub-Fund. The convening notice will explain the reasons for and the process of the proposed absorption.

11.8.3 Division of Sub-Funds

Subject to obtaining any prior necessary regulatory non-objection, the Board of Directors may decide on the division of any Sub-Fund into two or more Sub-Funds and/or into other sub-funds, in accordance with applicable laws and regulations. The Board of Directors will be competent to decide on such division and/or partial division as well as on the effective date thereof.

11.8.4 Reorganisation of Share Classes

The Board of Directors may decide to re-allocate the assets and liabilities of any Share Class to those of one or several other Share Classes, and to re-designate the Shares of the Share Class concerned as Shares of such other Share Class or Share Classes (following a split or consolidation of Shares, if necessary, and the payment to investors of the amount corresponding to any fractional entitlement).

The Board of Directors may decide on the division or consolidation of any Share Class into two or more Share Classes of any Sub-Fund and/or into other share class(es), in accordance with applicable laws and regulations. The Board of Directors will be competent to decide on such consolidation and/or division as well as on the effective date thereof.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, investors may also decide on such reorganisation by resolution taken by the general meeting of shareholders of the Share Classes. The convening notice will explain the reasons for and the process of the proposed reorganisation.

Investors will be informed of the reorganisation by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed. The notice will explain the reasons for and the process of the reorganisation.

11.9 Liquidation

11.9.1 Termination and liquidation of Sub-Funds or Share Classes

The Board of Directors may decide to compulsorily redeem all the Shares of any Sub-Fund or Share Class and thereby terminate and liquidate any Sub-Fund or Share Class in the event that, for any reason, the Board of Directors determines that:

- (a) the Net Asset Value of a Sub-Fund or Share Class has decreased to, or has not reached, the minimum level for that Sub-Fund or Share Class to be operated in an efficient manner;
- (b) changes in the legal, economic or political environment would justify such liquidation; or
- (c) a product rationalisation would justify such liquidation.

Investors will be informed of the decision to terminate a Sub-Fund or Share Class by way of a notice. The notice will be published and/or communicated to investors as required by applicable laws and regulations in Luxembourg and other jurisdictions where the Shares are distributed. The notice will explain the reasons for and the process of the termination and liquidation.

Notwithstanding the powers conferred on the Board of Directors by the preceding paragraph, the investors of any Sub-Fund or Share Class, as applicable, may also decide on such termination by resolution taken by the general meeting of shareholders of the Sub-Fund or Share Class and have the Fund redeem compulsorily all the Shares of the Sub-Fund or Share Class at the Net Asset Value per Share for the applicable Valuation Day. The convening notice will explain the reasons for and the process of the proposed termination and liquidation.

Sub-Funds or Share Classes with a defined term will be automatically terminated and liquidated upon the occurrence of their term, as set out in the Supplement where applicable, unless terminated earlier in accordance with the provisions of this section.

Actual realisation prices of investments, realisation expenses and liquidation costs will be taken into account in calculating the Net Asset Value applicable to the compulsory redemption. Investors in the Sub-Fund or Share Class concerned will generally be authorised to continue requesting the redemption or conversion of their Shares prior to the effective date of the compulsory redemption, unless the Board of Directors determines that it would not be in the best interest of investors in that Sub-Fund or Share Class or could jeopardise the fair treatment of investors.

All Shares redeemed will generally be cancelled. Redemption proceeds which have not been claimed by investors upon the compulsory redemption will be deposited in escrow at the *Caisse de Consignation* in Luxembourg in accordance with applicable laws and regulations. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

The termination and liquidation of a Sub-Fund or Share Class will have no influence on the existence of any other Sub-Fund or Share Class. The decision to terminate and liquidate the last Sub-Fund existing in the Fund will result in the dissolution and liquidation of the Fund as described in section 11.9.2 (Dissolution and liquidation of the Fund) below.

11.9.2 Dissolution and liquidation of the Fund

The Fund is incorporated for an unlimited period. It may be dissolved at any time with or without cause by a resolution of the general meeting of shareholders adopted in compliance with applicable laws.

The compulsory dissolution of the Fund may be ordered by Luxembourg competent courts in circumstances provided by the 2010 Law and the 1915 Law.

As soon as a decision to dissolve the Fund is taken, the issue, redemption or conversion of Shares in all Sub-Funds will be prohibited. The liquidation will be carried out in accordance with the provisions of the 2010 Law and 1915 Law. Liquidation proceeds which have not been claimed by investors at the time of the closure of the liquidation will be deposited in escrow at the *Caisse de Consignation* in Luxembourg. Proceeds not claimed within the statutory period will be forfeited in accordance with applicable laws and regulations.

12. LUXEMBOURG TAX CONSIDERATIONS

THE FOLLOWING INFORMATION IS OF A GENERAL NATURE ONLY AND IS BASED ON THE FUND'S UNDERSTANDING OF CERTAIN ASPECTS OF THE LAWS AND PRACTICES IN FORCE IN LUXEMBOURG AS OF THE DATE OF THIS PROSPECTUS. IT DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION OF ALL TAX CONSIDERATIONS THAT MAY BE RELEVANT TO AN INVESTMENT DECISION. 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. IT IS A DESCRIPTION OF THE ESSENTIAL MATERIAL LUXEMBOURG TAX CONSEQUENCES WITH RESPECT TO THE SUBSCRIBING FOR, PURCHASING, OWNING AND DISPOSING OF SHARES AND MAY NOT INCLUDE TAX CONSIDERATIONS THAT ARISE FROM RULES OF GENERAL APPLICATION OR THAT ARE GENERALLY ASSUMED TO BE KNOWN TO SHAREHOLDERS. THIS SUMMARY IS BASED ON THE LAWS IN FORCE IN LUXEMBOURG ON THE DATE OF THIS PROSPECTUS AND IS SUBJECT TO ANY CHANGES IN LAW THAT MAY TAKE EFFECT AFTER SUCH DATE, EVEN WITH RETROACTIVE OR RETROSPECTIVE EFFECT.

Prospective Shareholders should consult their own professional advisors as to the particular consequences of subscribing for, purchasing, owning and disposing of Shares, including the application and effect of any federal, state or local taxes in Luxembourg and in their countries of citizenship, residence, domicile or incorporation.

Shareholders should be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), the solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu des personnes physiques*). Corporate taxpayers may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, net wealth tax and the solidarity surcharge apply to most corporate taxpayers that are resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual

taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

12.1 Taxation of the Fund

12.1.1 Income and net wealth taxes

Under current Luxembourg tax law, the Fund is neither subject to corporate income tax and municipal business tax (including the solidarity surcharge) nor net wealth tax (including the minimum net wealth tax) in Luxembourg.

12.1.2 Subscription tax

The Fund is as a rule subject in Luxembourg to a subscription tax (*taxe d'abonnement*) of 0.05% *per annum*, such tax being payable quarterly. The taxable basis of the subscription tax is the aggregate net assets of the Fund valued on the last day of each quarter of the calendar year.

However, the rate is reduced to 0.01% *per annum* for:

- Undertakings for collective investment (“UCIs”) and individual compartments of umbrella UCIs that are authorised as money market funds in accordance with Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds;
- individual compartments of UCIs with multiple compartments subject to the 2010 Law and individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of these compartments or classes are reserved for one or more institutional investors.

Under certain conditions, reduced rates ranging from 0.04% to 0.01% may also be available for the portion of the net assets of a UCI or of an individual compartment of a UCI with multiple compartments invested in environmentally sustainable economic activities (as defined in Article 3 of the Taxonomy Regulation).

In order to benefit from the above exemptions, UCIs must separately disclose the value of the eligible net assets in their periodic subscription tax returns.

Further, the following are exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs provided that such units have already been subject to the subscription tax provided for by Article 174 of the 2010 Law, Article 68 of the amended law of 13 February 2007 on specialised investment funds or Article 46 of the amended law of 23 July 2016 on reserved alternative investment funds;

In order to benefit from this exemption, UCIs which hold such units must indicate their value separately in their periodic subscription tax returns.

- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are reserved for institutional investors, and (ii) that are authorised as short-term money market funds in accordance with Regulation (EU) 2017/1131 of the European

Parliament and of the Council of 14 June 2017 on money market funds, and (iii) that have obtained the highest possible rating from a recognised rating agency.

If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes whose securities are reserved for institutional investors;

- UCIs as well as individual compartments of UCIs with multiple compartments whose securities are reserved for (i) institutions for occupational retirement pension or similar investment vehicles set up at the initiative of one or more employers for the benefit of their employees, (ii) companies of one or more employers investing the funds they hold, to provide retirement benefits to their employees, and (iii) investors in the context of a pan-European Personal Pension Product established under Regulation (EU) 2019/1238 of the European Parliament and of the Council of 20 June 2019 on a pan-European Personal Pension Product (PEPP);

If there are several classes of securities within the UCI or compartment, the exemption applies only to those classes whose securities are reserved for these investors;

- UCIs as well as individual compartments of UCIs with multiple compartments whose main objective is the investment in microfinance institutions;
- UCIs as well as individual compartments of UCIs with multiple compartments (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public, and (ii) whose exclusive objective is to replicate the performance of one or more indices.

If several classes of securities exist within the UCI or the compartment, the exemption only applies to classes fulfilling the condition sub-point (i).

- UCIs and individual compartments of UCIs with multiple compartments which are approved as European long-term investment funds in accordance with Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds.

In order to qualify for these exemptions, UCIs must separately disclose the value of the eligible net assets in their periodic subscription tax returns.

12.1.3 Withholding tax

Under current Luxembourg tax law, there is no withholding tax on distributions, liquidation proceeds and redemption payments made by the Fund to its Shareholders.

However, the Fund may be subject to withholding tax on dividends and interest payments and to tax on capital gains in the country of origin of its investments. As the Fund itself is not subject to Luxembourg corporate income tax, withholding tax levied at source, if any, would normally be a final cost.

Whether the Fund may benefit from a double tax treaty concluded by Luxembourg must be analysed on a case-by-case basis. Indeed, as the Fund is structured as an investment company (as opposed to a mere co-ownership of assets), certain double tax treaties signed by Luxembourg may directly be applicable to the Fund.

12.1.4 **Value added tax**

In Luxembourg, regulated investment funds such as the Fund are considered as taxable persons for VAT purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund could potentially trigger VAT and require the VAT registration of the Fund in Luxembourg. As a result of such VAT registration, the Fund will be in a position to fulfil its duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of payments made by the Fund to its Shareholders to the extent that such payments are linked to their subscription to the Shares and therefore do not constitute the consideration received for taxable services supplied.

12.1.5 **Other taxes**

No stamp duty or other tax is generally payable in Luxembourg in connection with the issue of Shares by the Fund against cash.

However, the Fund is subject to a fixed registration duty of EUR 75 in Luxembourg upon incorporation and any subsequent amendment to its articles of association.

12.2 **Taxation of the Shareholders**

12.2.1 **General considerations**

It is expected that the Shareholders will be resident for tax purposes in different countries. Accordingly, no attempt is made in this Prospectus to summarise the tax consequences for each Shareholder of subscribing for, purchasing, owning or disposing of Shares. These consequences will vary depending on the law and practice currently in force in the Shareholders' country of citizenship, residence, domicile or incorporation, as well as their personal circumstances. Shareholders that are residents or citizens of certain countries which have a tax legislation affecting foreign funds may have a current liability to tax on undistributed income and gains of the Fund.

12.2.2 **Tax residency**

A Shareholder will not become resident (or be deemed resident), in Luxembourg by reason only of holding and/or disposing of the Shares or executing, performing, delivering and/or enforcing its rights thereto.

12.2.3 **Resident individual Shareholders**

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to personal income tax at the progressive ordinary rates.

Capital gains realised upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to personal income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to personal income tax at ordinary rates if the

Shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Shareholder holds or has held, either alone or together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the five (5) years preceding the disposal, more than ten percent (10%) of the share capital of the Fund whose Shares are being disposed of. A Shareholder is also deemed to alienate a substantial participation if he/she 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-year period). Capital gains realised on a substantial participation more than six (6) months after the acquisition thereof are taxed according to the half-global rate method (*i.e.* the average rate applicable to the total income is calculated according to progressive personal income tax rates and half of the average rate is applied to the capital gains realised on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realised on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to personal income tax at ordinary rates. 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.

12.2.4 Resident corporate Shareholders

Luxembourg resident corporate Shareholders which are fully-taxable companies must include any profits derived and any gains realised on the sale, repurchase or redemption of Shares, in their taxable profits for Luxembourg income tax purposes. Taxable gains are determined as the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

12.2.5 Resident Shareholders benefiting from a special tax regime

Luxembourg resident corporate Shareholders which benefit from a special tax regime, such as (i) specialised investment funds subject to the amended law of 13 February 2007, (ii) family wealth management companies subject to the amended law of 11 May 2007, (iii) UCIs subject to the 2010 Law, or (iv) reserved alternative investment funds treated as a specialised investment fund for Luxembourg tax purposes and subject to the amended law of 23 July 2016, are exempt from income taxes in Luxembourg and profits derived from the Shares are thus not subject to Luxembourg income taxes.

12.2.6 Non-resident Shareholder

Non-resident Shareholders that have neither a permanent establishment nor a permanent representative in Luxembourg to which or to whom the Shares are attributable, are generally not liable to any income tax in Luxembourg in respect of the Shares (including on income received and gains realised on the sale, repurchase or redemption of the Shares).

Non-resident corporate Shareholders that have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable, must include any income received and gains realised on the sale, repurchase or redemption of Shares, in their taxable income for Luxembourg income tax assessment purposes.

The same inclusion applies to non-resident individual Shareholders, 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 or to whom the Shares are attributable.

Taxable gains are determined as the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

12.2.7 Net wealth tax

Luxembourg resident Shareholders as well as non-resident Shareholders that have a permanent establishment or a permanent representative in Luxembourg to which or to whom the Shares are attributable, are subject to Luxembourg net wealth tax on such Shares, except if such Shareholders are (i) an individual, (ii) a securitisation vehicle subject to the amended law of 22 March 2004, (iii) a venture capital company subject to the amended law of 15 June 2004, (iv) a professional pension institution subject to the amended law of 13 July 2005, (v) a specialised investment fund subject to the amended law of 13 February 2007, (vi) a family wealth management company subject to the amended law of 11 May 2007, (vii) a UCI subject to the 2010 Law, or (viii) a reserved alternative investment fund subject to the amended law of 23 July 2016.

However, (i) a securitisation company subject to the amended law of 22 March 2004, (ii) a tax-opaque venture capital company subject to the amended law of 15 June 2004, (iii) a professional pension institution subject to the amended law of 13 July 2005, and (iv) a tax-opaque reserved alternative investment fund treated as a venture capital vehicle for Luxembourg tax purposes and subject to the amended law of 23 July 2016 remain subject to the minimum net wealth tax in Luxembourg.

12.2.8 Other taxes

Under current Luxembourg tax law, where an individual Shareholder is resident in Luxembourg for inheritance tax purposes at the time of his/her death, the Shares are included in his/her taxable base for inheritance tax purposes. By contrast, no inheritance tax is levied on the transfer of the Shares upon the death of an individual Shareholder if the deceased was not resident in Luxembourg for inheritance tax purposes at the time of his/her death.

Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

12.3 FATCA

Capitalised terms used in this section should have the meaning as set forth in the FATCA Law, unless otherwise provided herein.

The Fund may be subject to the so-called FATCA legislation, which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities. As part of the process of implementing FATCA, the US government has negotiated intergovernmental agreements with certain foreign jurisdictions, which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the FATCA Law, which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the Luxembourg tax authorities (*Administration des contributions directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

This status imposes on the Fund the obligation to regularly obtain and verify information on all of its Shareholders. On the request of the Fund, each Shareholder shall agree to provide certain information, including, in the case of a passive NFFE, information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each Shareholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

The FATCA Law may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its Shareholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the US Internal Revenue Service.

Shareholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund is to be processed in accordance with the applicable data protection legislation.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Shares held by the Shareholders may suffer material losses. The failure for the Fund to obtain such information from each Shareholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income as well as penalties.

Any Shareholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such Shareholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime.

Shareholders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

12.4 Common Reporting Standard

Capitalised terms used in this section should have the meaning as set forth in the CRS Law, unless otherwise provided herein.

The Fund may be subject to the CRS Law as set out in the CRS Law, under the terms of which, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution.

As such, the Fund is required to annually report to the Luxembourg tax authorities CRS Information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain Shareholders qualifying as Reportable Persons and (ii) Controlling Persons of passive NFEs which are themselves Reportable Persons. The CRS 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 Shareholder providing the Fund with the CRS Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Fund will process the CRS Information for the purposes as set out in the CRS Law.

Shareholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their CRS Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the applicable data protection legislation.

The Shareholders are further informed that the CRS Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). 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 Luxembourg tax authorities.

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

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Shares held by the Shareholders may suffer material losses.

Any Shareholder that fails to comply with the Fund's CRS Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such Shareholder's failure to provide the CRS Information and the Fund may, in its sole discretion, redeem the Shares of such Shareholder.

APPENDIX A – MUTUACTIVOS INTERNATIONAL SICAV – MUTUAFONDO FI LUX

1. LAUNCH DATE

The Shares of Mutuactivos International SICAV – Mutuafondo FI Lux will be issued for the first time at a date to be set by resolution of the Board of Directors. Following the Board of Directors' resolution, confirmation of the Sub-Fund's date of issue will be available at the registered office of the Management Company. All conditions in the prospectus that relate specifically to this Sub-Fund will only become effective as of the Sub-Fund's date of issue.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund is EUR.

3. INVESTMENT OBJECTIVE

The investment objective of the Sub-Fund is to achieve capital growth through investment in a diversified portfolio of fixed income instruments. The Sub-Fund is actively managed, the reference index is only used for comparative purposes.

4. INVESTMENT POLICY AND SPECIFIC RESTRICTIONS

The management of the Sub-Fund follows financial and extra-financial criteria of socially responsible investment, also called ESG (Environmental, Social and Governance) criteria.

The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Sub-Fund under the SFDR, investors are referred to the Annex I to this Prospectus.

The Sub-Fund will have exposure to public and/or private fixed income securities including listed or unlisted deposits and money market instruments, up to a maximum of 5% in non-synthetic securitisations, up to 35% of the Sub-Fund's NAV in subordinated debt (with subsequent collection rights to common creditors), including up to 5% of the Sub-Fund's NAV in contingent convertible bonds, not convertible into shares, generally issued in perpetuity with repurchase options for the issuer, and in the event of contingency, a write-down of the bond principal, with the latter negatively affecting the net asset value of the Sub-Fund. The Sub-Fund may also invest in debt securities of real estate companies, including bonds issued by real estate investment funds like REITs (real estate investment trusts).

Issuers and/or markets will be at least 50% OECD and up to 10% of the Sub-Fund's NAV in emerging market (non-OECD) countries.

A minimum of 50% of the Sub-Fund's NAV shall be rated A- or higher (high credit quality) by any internationally-recognized rating agency or, equal to the Kingdom of Spain rating at any given time, with the remainder having at least a medium credit rating (minimum rating BBB-) by any internationally-recognized rating agency. Securities that have suffered a credit downgrade below the BBB- rating by all the internationally-recognized rating agencies after their purchase may remain in the Sub-Fund at the Investment Manager's discretion, if such holding is considered by the Investment Manager as being in the interest of the relevant Shareholders. For those assets with no minimum rating, the Investment

Manager has established an internal credit rating process whereby an equivalent credit rating will be attributed to the relevant asset taking into consideration also the issuer's rating. The Sub-Fund may keep securities that become distressed (e.g. due to a rating downgrade) if such holding is considered by the Investment Manager being in the interest of the relevant Shareholders, but does not actively invest in such securities.

The Average portfolio duration will be between 0 and 4 years and the currency risk exposure between: 0-10%.

Listed and/or OTC derivatives may be used for hedging and/or investment purposes.

The Sub-Fund is not permitted to invest in aggregate more than 10% of its net assets in shares or units of UCITS or other UCI.

The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to the Iboxx Euro Overall 1-3 years (Total Return) index as the return reference (the "Benchmark"). The Benchmark is used for merely comparative purposes.

The Benchmark, available on Bloomberg under the code QW7E, is an index composed of public and private fixed income securities in euros, with a maturity of 1 to 3 years, from issuers around the world, with the index reflecting the reinvestment of yields.

The purpose of the index is to illustrate to the Shareholder the potential return on their investment in the Sub-Fund, as an index representative of the performance of the securities or markets in which the Sub-Fund invests, without such use restricting the Investment Manager's freedom or limiting the investment to the Sub-Fund and/or its components.

Subordinated debt ranks behind all common creditors in terms of collection preference (seniority). As a result, it is generally riskier and more volatile than senior debt.

The most subordinated debt is that rated as Tier 1 or additional Tier 1, with Tier 2 debt ranking above these in the order of seniority. Within subordinated debt, there are contingent convertible bonds, whose contingency is linked to the issuer's creditworthiness falling below a certain level. If the latter occurs, the principal is written off.

The Sub-Fund intends to use the "efficient portfolio management techniques" referred to in section 4.7 of this Prospectus.

Unfunded total return swaps may be used to hedge investment positions or as a part of the investment policy and within the limits of the investment restrictions. The maximal proportion of the Sub-Funds assets that will be subject to such total return swaps may represent up to a maximum of 100% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the proportion of the Sub-Funds assets that will be subject to total return swaps will not exceed 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The fees or transaction costs upon entering into total return swaps is usually included by the counterparty in the price of the instrument. This counterparty may belong to the group of the Depositary.

The Sub-Fund may employ further techniques and instruments relating to Transferable Securities and Money Market Instruments, such as repurchase and reverse repurchase transactions, buy-sell back or

sell-buy back transactions, for the purposes of efficient portfolio management. In particular, such techniques and instruments may be used for efficient portfolio management or to generate additional income.

The principal amount of the Sub-Fund's assets that can be subject to repurchase transactions or reverse repurchase transactions, buy-sell back transactions or sell-buy back transactions may represent for such SFTs on a cumulative, aggregated basis up to a maximum of 100% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed 20% of the Net Asset Value of the Sub-Fund. Under exceptional circumstances this proportion may be higher representing up to 100% of the Net Asset Value of the Sub-Fund.

Specifically, on an ad hoc basis and always with the objective of efficiently managing the Sub-Fund's liquidity, reverse repurchase agreements on Eurozone government bonds of at least medium credit quality (minimum BBB- according to the main rating agencies) with a maximum maturity of 7 days will be made. Exceptionally, reverse repo purchases of Eurozone government bonds of at least medium credit quality (minimum BBB- by any internationally-recognized rating agency) with a maximum maturity of up to 180 days may be made. In this case, the counterparty risk is mitigated by the fact that the transaction is collateralised by the purchased asset.

Repurchase agreements, reverse repurchase agreements, buy-sell back and sell-buy back transactions will be entered into on a continuous basis for example to manage the cash of the Sub-Fund.

The Sub-Fund may incur fees and transaction costs upon entering into such techniques and instruments. These transactions shall be cost-effective and shall be carried out with financial institutions of recognised standing in the market that do not belong to the economic group of the Investment Manager and may belong to the economic group of the Depositary.

Temporary situations of lower portfolio risk will be allowed, without changing the investment vocation.

5. INVESTOR PROFILE

The Sub-Fund is intended for investors seeking to assume risks according to the investment policy of the Sub-Fund. The Sub-Fund is intended as a medium term investment. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund. This Sub-Fund may not be suitable for investors who plan to withdraw their money in less than 2 years.

6. SPECIFIC RISKS

Investors should carefully read section 6 ("General Risk Factors") of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.

The investments described above may involve, inter alia, interest rate risk, credit risk, liquidity risk and risk because of the use of derivative financial instruments.

Market risk: Market risk is a general risk associated with investing in any type of asset. Asset prices depend in particular on the performance of the financial markets as well as on the economic developments of the issuers, which in turn are influenced by the general situation of the world economy and by political and economic circumstances within the respective countries.

Interest rate risk: Changes or fluctuations in interest rates affect the price of fixed income assets. Rising interest rates generally have a negative effect on the price of these assets, while falling interest rates determine price increases. The sensitivity of changes in the price of fixed income securities to interest rate fluctuations is all the greater the longer the maturity of the security.

Credit risk: Investment in fixed income assets involves credit risk related to the issuer and/or the issue. Credit risk is the risk that the issuer will be unable to pay principal and interest when due. Credit rating agencies assign credit ratings to certain fixed income issuers/issues to indicate their likely credit risk. Generally, the price of a fixed income security will fall if the obligation to pay principal or interest is defaulted on, if rating agencies downgrade the credit rating of the issuer or the issue, or if other news affects the market's perception of its credit risk. Issuers and issues with high credit ratings have low credit risk, while issuers and issues with medium credit ratings have moderate credit risk. The non-requirement of credit ratings for issuers of fixed-income securities or the selection of issuers or issues with low credit ratings results in the assumption of a high credit risk.

Liquidity risk: Investing in small-cap securities and/or markets with small size and limited trading volume may deprive investments of liquidity which may adversely affect the price conditions under which the Sub-Fund may be forced to sell, buy or modify its positions.

Risks arising from investments in derivative financial instruments:

The use of financial derivative instruments, including as hedges of cash investments, also entails risks, such as the possibility of imperfect correlation between the movement in the value of derivative contracts and the hedged items, which may result in the hedge not being as successful as expected.

Investments in financial derivative instruments entail additional risks to those of cash investments because of the leverage involved, which makes them particularly sensitive to changes in the price of the underlying and can multiply losses in the value of the portfolio.

In addition, trading in financial derivative instruments that are not traded on organised derivatives exchanges entails additional risks, such as the risk of counterparty default, given the absence of a clearing house to interpose itself between the parties and ensure the successful completion of the transactions.

Sustainability risk: any environmental, social or governance event or condition that, if it were to occur, would have a material adverse effect on the value of the investment. The investment process takes into account sustainability risks and is based on own analysis. For this purpose, the Investment Manager uses its own methodology and takes into account ESG information published by the companies or issuers of the assets in which it invests as well as ratings published by external providers. The sustainability risk of investments will depend, inter alia, on the type of issuer, the sector of activity or its geographical location. Thus, investments with a higher sustainability risk may result in a decline in the price of the underlying assets and thus negatively affect the net asset value of the Sub-Fund's Share. The Investment Manager for this Sub-Fund takes into account the adverse impacts of investment

decisions on sustainability factors (PAIS) in line with its Statement of Material Adverse Incidents which will be reported to Shareholders in forthcoming regular reports.

7. GLOBAL EXPOSURE

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

8. VALUATION

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus and on which banks are open the whole day for non-automated business in Luxembourg and Spain.

9. SUBSCRIPTIONS

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 13:00 pm CET of the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two Business Days following the Subscription Day.

10. REDEMPTIONS

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 13:00 pm CET of the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is two Business Days following the Redemption Day.

11. SHARE CLASSES

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request and on www.luxcellence.com.

12. DISTRIBUTION POLICY

Subject to the provisions of the Prospectus, Distribution Share Classes will normally distribute dividends in accordance with the following distribution policies:

All Share Classes are accumulative. The returns obtained are reinvested into the Sub-Fund.

13. ELIGIBLE INVESTORS

Share Classes A are not restricted to any type of investor.

Share Classes I are reserved to institutional investors.

Share Classes L are reserved to distributors, platforms or other types of intermediaries who operate fee based arrangements with the clients and are not allowed to accept or retain commissions.

14. **PERFORMANCE FEE**

The Investment Manager is entitled to receive from the Fund, at the charge of the Share Classes A, I and L, a performance fee. The performance fee will be calculated on the basis of the outperformance from the NAV per share, after deducting all expenses and liabilities, before deducting any performance fee whatsoever and adjusted to take into account all subscriptions and redemptions. For reference, please consider the example below.

The term “outperformance” means the percentage increase of the NAV per share calculated on each Valuation Day, after deducting all expenses and liabilities, before deducting any performance fee whatsoever and adjusted to take into account all subscriptions and redemptions, compared to the High Water Mark.

The “High Water Mark” is defined as the highest Net Asset Value per share (after deducting all expenses, liabilities and adjusted to take into account all subscriptions and redemptions) ever previously achieved by the relevant Share Class over the performance reference period. Unless stated otherwise, the initial High Water Mark is the launch price of the relevant Share Class.

The performance reference period is equal to a period of five years on a rolling basis. In this case a performance fee may only be paid if there has been an outperformance of the previous High Water Mark during the previous five years and a new High Water Mark has been defined on the basis of such outperformance.

If there has not been an outperformance of the last High Water Mark used to pay a performance fee during the previous five years on a rolling basis, the mechanism for compensation for past underperformance (or negative performance) is reset in which case the new High Water Mark corresponds to the highest NAV per share at the end of a financial year over the previous performance reference period.

The performance fee, if any, calculated according to the methodology described above will be accrued at each NAV calculation based on the outstanding Shares on the day the NAV is calculated and is then crystallised at the end of the relevant financial year and settled on a yearly basis at the end of that year in arrears.

In the event that a shareholder redeems shares prior to the end of the relevant financial year, any accrued but unpaid performance fee related to those shares shall be crystallized on the date of the investors' redemption and paid at the end of the relevant financial year in arrears.

With this High Water Mark model, the yearly frequency for the crystallization of the performance fee (if any) and the yearly frequency for the subsequent payment to the Investment Manager are defined in such a way as to ensure alignment of interests between the Investment Manager and the Sub-Fund's Shareholders and fair treatment among Shareholders.

In case of closure/merger of sub-funds and/or upon investors' redemptions, performance fees, if any, should crystallise in due proportions on the date of the closure/merger and/or investors' redemption. In case of merger of sub-funds, the crystallisation of the performance fees of the merging sub-fund

should be authorised subject to the best interest of investors of both the merging and the receiving sub-funds.

Example of the calculation of the performance fees:

Year	NAV performance	High Water Mark (HWM)	Performance of the share class	Outperformance regarding the HWM	Payment of performance fee
1	99	100.00	-1.00%	-1.00%	NO
2	105	100.00	6.06%	5.00%	YES
3	100	104.50	-4.76%	-4.31%	NO
4	103	104.50	3.00%	-1.44%	NO
5	106	104.50	2.91%	1.44%	YES

The share class uses a High Watermark model over a performance reference period of 5 years on a rolling basis for the calculation of the performance fee on annual results, the crystallisation date being 31 December. Assuming that at the end of the year the result is 25,000 euros, applying 6% on these results, the performance fee would be 1,500 euros. The High Watermark is set at this net asset value. In the following year, if this High Watermark is not reached, no performance fee will be charged. If, on the other hand, the High Watermark is exceeded, only the outperformance from this High Watermark will be taken into account as a basis for calculation. If the Investment Manager has not received a performance management fee for 5 years, a new High Watermark will be set in year 6, being the highest NAV per share on 31 December for the 5 previous years.

For the avoidance of any doubt, the above example is provided for illustration purposes only and is not an indication of future performance.

Table 1: Share Classes of Mutuafondo FI LUX

Share Class name	A	I	L
Share Class Reference Currency	EUR	EUR	EUR
Distribution (D) or Capitalisation (C)	C	C	C
Minimum Subscription	10 EUR	10 EUR	10 EUR
Minimum Additional Subscription	-	-	-
Minimum Holding	10 EUR	-	-
Maximum Subscription Fee	0%	0%	0%
Maximum Redemption Fee	0%	0%	0%
Management Company Fee	Up to 0.02%	Up to 0.02%	Up to 0.02%

Investment Management Fee	0.60%	0.25%	0.25%
Performance Fee	6%	6%	6%
<i>Taxe d'abonnement</i>	0.05%	0.01%	0.05%

APPENDIX B – MUTUACTIVOS INTERNATIONAL SICAV – MUTUAFONDO SPAIN LUX

1. LAUNCH DATE

The Shares of Mutuactivos International SICAV – Mutuafondo Spain Lux will be issued for the first time at a date to be set by resolution of the Board of Directors. Following the Board of Directors' resolution, confirmation of the Sub-Fund's date of issue will be available at the registered office of the Management Company. All conditions in the prospectus that relate specifically to this Sub-Fund will only become effective as of the Sub-Fund's date of issue.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund is EUR.

3. INVESTMENT OBJECTIVE

The objective of the Sub-Fund is to outperform the Ibx 35 (total return) index over a recommended investment horizon of three years. The Sub-Fund is actively managed, the reference index is only used for comparative purposes.

4. INVESTMENT POLICY AND SPECIFIC RESTRICTIONS

The management of the Sub-Fund follows financial and extra-financial criteria of socially responsible investment, also called ESG (Environmental, Social and Governance) criteria.

The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Sub-Fund under the SFDR, investors are referred to the Annex II to this Prospectus.

The Sub-Fund will invest more than 75% of its NAV in equity assets of all capitalisations and sectors. The Sub-Fund may also invest in securities of real estate companies, including closed-end real estate investment funds like REITs (real estate investment trusts) which must be regulated by the local supervisory authority and be traded on the relevant local stock exchange.

The issuers and/or markets of the assets will be Spanish (at least 50%) and/or Portuguese issuers or companies that carry out most of their activity in Spain and/or Portugal admitted to official listing on recognised regulated markets, and may invest up to 25% in equities of other OECD issuers and markets (including 10% in emerging markets).

The maximum exposure to currency risk shall be 25% of the Sub-Fund's NAV.

The portion not exposed to equities will be invested in public and/or private fixed income securities (including deposits, listed or unlisted money market instruments) of OECD issuers/markets (mainly euro area), with no predetermined duration. These investments will have at least an average credit rating (minimum BBB- or equivalent by any internationally recognized rating agency), or the rating of the Kingdom of Spain at any given time, whichever is lower. For those assets with no minimum rating, the Investment Manager has established an internal credit rating process whereby an equivalent credit rating will be attributed to the relevant asset taking into consideration also the issuer's rating. The Sub-Fund may keep securities that become distressed (e.g. due to a rating downgrade) if such holding is considered by the

Investment Manager being in the interest of the relevant Shareholders, but does not actively invest in such securities.

The Sub-Fund is not permitted to invest in aggregate more than 10% of its net assets in shares or units of UCITS or other UCI. Listed and/or OTC derivatives may be used for hedging and/or investment purposes.

The Sub-Fund is actively managed without replicating any benchmark. However, the Sub-Fund is managed with reference to Ibex 35 (Total return) as the return reference (the "Benchmark"). The Benchmark is used for merely comparative purposes.

The Benchmark is the official index of the Spanish continuous market. This is a capitalisation-weighted index, composed of the 35 most liquid companies and published by the Madrid Stock Exchange. The index reflects dividend reinvestment. The purpose of the Benchmark is to illustrate to the Shareholder the potential return on their investment in the Sub-Fund, as an index representative of the performance of the securities or markets in which the Sub-Fund invests, without such use restricting the Investment Manager's freedom or limiting the investment to the Sub-Fund and/or its components. Furthermore, the Sub-Fund's profitability will not be determined by the appreciation of the Benchmark.

The Investment Manager may change the Benchmark in response to market conditions or changes in the investment criteria, always choosing an index representative of the market to which the investment policy described above relates. In the event of a change in the Benchmark, the Shareholders will be informed in the periodic reports.

The selection of the assets, as well as the UCI in which they are invested, shall be made at the discretion of the Investment Manager, taking into account the market circumstances at any given time and there is no predetermination as to the selection criteria.

The Sub-Fund intends to use the "efficient portfolio management techniques" referred to in section 4.7 of this Prospectus.

Unfunded total return swaps may be used to hedge investment positions or as a part of the investment policy and within the limits of the investment restrictions. The maximal proportion of the Sub-Funds assets that will be subject to such total return swaps may represent up to a maximum of 100% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the proportion of the Sub-Funds assets that will be subject to total return swaps will not exceed 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The fees or transaction costs upon entering into total return swaps is usually included by the counterparty in the price of the instrument. This counterparty may belong to the group of the Depositary.

The Sub-Fund may employ further techniques and instruments relating to Transferable Securities and Money Market Instruments, such as repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions, for the purposes of efficient portfolio management. In particular, such techniques and instruments may be used for efficient portfolio management or to generate additional income.

The principal amount of the Sub-Fund's assets that can be subject to repurchase transactions or reverse repurchase transactions, buy-sell back transactions or sell-buy back transactions may represent for such SFTs on a cumulative, aggregated basis up to a maximum of 100% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed 20% of the Net Asset Value of the Sub-Fund. Under exceptional circumstances this proportion may be higher representing up to 100% of the Net Asset Value of the Sub-Fund.

Specifically, on an ad hoc basis and always with the aim of efficiently managing the Sub-Fund's liquidity, repo transactions will be carried out on Eurozone government bonds with a minimum rating no lower than that of the Kingdom of Spain, with a maximum maturity of 7 days.

Exceptionally, repo purchases of Eurozone public fixed income assets with a minimum rating no lower than that of the Kingdom of Spain may be made, with a maximum maturity of up to 180 days. In this case, the counterparty risk will be mitigated by the fact that the transaction is collateralised by the purchased asset.

Repurchase agreements, reverse repurchase agreements, buy-sell back and sell-buy back transactions will be entered into on a continuous basis for example to manage the cash of the Sub-Fund.

The Sub-Fund may incur fees and transaction costs upon entering into such techniques and instruments. These transactions shall be cost-effective and shall be carried out with financial institutions of recognised standing in the market that do not belong to the economic group of the Investment Manager and may belong to the economic group of the Depositary.

Temporary situations of lower portfolio risk will be allowed at the discretion of the manager.

5. INVESTOR PROFILE

The Sub-Fund is intended for investors seeking to assume risks according to the investment policy of the Sub-Fund. The Sub-Fund is intended as a medium-term investment. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund. The Sub-Fund may not be suitable for investors who plan to withdraw their money in less than 3 years.

6. SPECIFIC RISKS

Investors should carefully read section 6 ("General Risk Factors") of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.

The investments described above may involve, inter alia, equity market risk, interest rate risk, exchange rate risk, geographic or sectoral concentration risk, credit risk, liquidity risk, as well as risk because of the use of derivative financial instruments. As a result, the net asset value of the share may be highly volatile.

Market risk: Market risk is a general risk associated with investing in any type of asset. Asset prices depend in particular on the performance of the financial markets as well as on the economic developments of the issuers, which in turn are influenced by the general situation of the world economy and by political and economic circumstances within the respective countries. In particular, the investments entail:

- Market risk from investment in equities: Derived from changes in equity asset prices. The equity market is generally highly volatile, which means that the price of equity assets can fluctuate significantly.
- Interest rate risk: Changes or fluctuations in interest rates affect the price of fixed income assets. Rising interest rates generally have a negative effect on the price of these assets, while falling interest rates determine price increases. The sensitivity of changes in the price of fixed income

securities to interest rate fluctuations is all the greater the longer the maturity of the security.

- Exchange rate risk: As a result of investing in assets denominated in currencies other than the reference currency of the share, a risk arising from exchange rate fluctuations is assumed.

Geographic or sectoral concentration risk: The concentration of a significant part of the investments in a single country or in a limited number of countries means that there is a risk that the economic, political and social conditions in those countries will have a significant impact on the profitability of the investment.

Similarly, the performance of a fund that concentrates its investments in one economic sector or a limited number of sectors will be closely linked to the performance of the companies in those sectors.

Companies in the same sector often face the same regulatory hurdles, problems and regulatory burdens, so that the price of their securities may react in a similar and more harmonised way to these or other market conditions. As a result, concentration means that changes in the prices of the assets invested in result in a greater impact on the return of the share than would be the case if a more diversified portfolio were invested in.

Credit risk: Investment in fixed income assets involves credit risk related to the issuer and/or the issue. Credit risk is the risk that the issuer will be unable to pay principal and interest when due. Credit rating agencies assign credit ratings to certain fixed income issuers/issues to indicate their likely credit risk. Generally, the price of a fixed income security will fall if the obligation to pay principal or interest is defaulted on, if rating agencies downgrade the credit rating of the issuer or the issue, or if other news affects the market's perception of its credit risk. Issuers and issues with high credit ratings have low credit risk, while issuers and issues with medium credit ratings have moderate credit risk. The non-requirement of credit ratings for issuers of fixed-income securities or the selection of issuers or issues with low credit ratings results in the assumption of a high credit risk.

Liquidity risk: Investing in small-cap securities and/or markets with small size and limited trading volume may deprive investments of liquidity which may adversely affect the price conditions under which the Sub-Fund may be forced to sell, buy or modify its positions.

Risks arising from investments in derivative financial instruments:

The use of financial derivative instruments, including hedges of cash investments, also entails risks, such as the possibility of imperfect correlation between the movement in the value of derivative contracts and the hedged items, which may result in the hedge not being as successful as expected.

Investments in financial derivative instruments entail additional risks to those of cash investments because of the leverage involved, which makes them particularly sensitive to changes in the price of the underlying asset and can multiply losses in the value of the portfolio.

In addition, trading in financial derivative instruments that are not traded on organised derivatives exchanges entails additional risks, such as the risk of counterparty default, given the absence of a clearing house to interpose itself between the parties and ensure the successful completion of the transactions.

Sustainability risk: any environmental, social or governance event or condition that, if it were to occur, would have a material adverse effect on the value of the investment. The investment process takes into

account sustainability risks and is based on own analyses. For this purpose, the Investment Manager uses its own methodology and takes into account ESG information published by the companies or issuers of the assets in which it invests as well as ratings published by external providers. The sustainability risk of investments will depend, inter alia, on the type of issuer, the sector of activity or its geographical location. Thus, investments with a higher sustainability risk may result in a decline in the price of the underlying assets and thus negatively affect the net asset value of the Sub-Fund's Share. The Investment Manager for this Sub-Fund takes into account the adverse impacts of investment decisions on sustainability factors (PAIS) in line with its Statement of Material Adverse Incidents which will be reported to Shareholders in forthcoming regular reports.

7. GLOBAL EXPOSURE

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

8. VALUATION

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus and on which banks are open the whole day for non-automated business in Luxembourg and Spain.

9. SUBSCRIPTIONS

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 13:00 pm CET of the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two Business Days following the Subscription Day.

10. REDEMPTIONS

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 13:00 pm CET of the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is two Business Days following the Redemption Day.

11. SHARE CLASSES

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request and on www.luxcellence.com.

12. DISTRIBUTION POLICY

Subject to the provisions of the Prospectus, Distribution Share Classes will normally distribute dividends in accordance with the following distribution policies:

All Share Classes are accumulative. The returns obtained are reinvested into the Sub-Fund.

13. ELIGIBLE INVESTORS

Share Classes A are not restricted to any type of investor.

Share Classes I are reserved for institutional investors.

Share Classes L are reserved to distributors, platforms or other types of intermediaries who operate fee based arrangements with the clients, and are not allowed to accept or retain commissions.

Share Classes F are reserved to other collective investment undertakings that have designated this Sub-Fund as the Master Fund.

14. PERFORMANCE FEE

The Investment Manager is entitled to receive from the Fund, at the charge of the Share Classes A, I and L, a performance fee. The performance fee will be calculated on the basis of the outperformance from the NAV per share, after deducting all expenses and liabilities, before deducting any performance fee whatsoever and adjusted to take into account all subscriptions and redemptions. For reference, please consider the example below.

The term “outperformance” means the percentage increase of the NAV per share calculated on each Valuation Day, after deducting all expenses and liabilities, before deducting any performance fee whatsoever and adjusted to take into account all subscriptions and redemptions, compared to the High Watermark.

The “High Watermark” is defined as the highest Net Asset Value per share (after deducting all expenses, liabilities and adjusted to take into account all subscriptions and redemptions) ever previously achieved by the relevant Share Class over the performance reference period. Unless stated otherwise, the initial High Watermark is the launch price of the relevant Share Class.

The performance reference period is equal to a period of five years on a rolling basis. In this case a performance fee may only be paid if there has been an outperformance of the previous High Watermark during the previous five years and a new High Watermark has been defined on the basis of such outperformance.

If there has not been an outperformance of the last High Watermark used to pay a performance fee during the previous five years on a rolling basis, the mechanism for compensation for past underperformance (or negative performance) is reset in which case the new High Watermark corresponds to the highest NAV per share at the end of a financial year over the previous performance reference period.

The performance fee, if any, calculated according to the methodology described above will be accrued at each NAV calculation based on the outstanding Shares on the day the NAV is calculated and is then crystallised at the end of the relevant financial year and settled on a yearly basis at the end of that year in arrears.

In the event that a shareholder redeems shares prior to the end of the relevant financial year, any accrued but unpaid performance fee related to those shares shall be crystallized on the date of the investors' redemption and paid at the end of the relevant financial year in arrears.

With this High Watermark model, the yearly frequency for the crystallization of the performance fee (if any) and the yearly frequency for the subsequent payment to the Investment Manager are defined in such a way as to ensure alignment of interests between the Investment Manager and the Sub-Fund's Shareholders and fair treatment among Shareholders.

In case of closure/merger of sub-funds and/or upon investors' redemptions, performance fees, if any, should crystallise in due proportions on the date of the closure/merger and/or investors' redemption. In case of merger of sub-funds, the crystallisation of the performance fees of the merging sub-fund should be authorised subject to the best interest of investors of both the merging and the receiving sub-funds.

Example of the calculation of the performance fees:

Year	NAV performance	High Water Mark (HWM)	Performance of the share class	Outperformance regarding the HWM	Payment of performance fee
1	99	100.00	-1.00%	-1.00%	NO
2	105	100.00	6.06%	5.00%	YES
3	100	104.50	-4.76%	-4.31%	NO
4	103	104.50	3.00%	-1.44%	NO
5	106	104.50	2.91%	1.44%	YES

The share class uses a High Watermark model over a performance reference period of 5 years on a rolling basis for the calculation of the performance fee on annual results, the crystallisation date being 31 December. Assuming that at the end of the year the result is 25,000 euros, applying 6% on these results, the performance fee would be 1,500 euros. The High Watermark is set at this net asset value. In the following year, if this High Watermark is not reached, no performance fee will be charged. If, on the other hand, the High Watermark is exceeded, only the outperformance from this High Watermark will be taken into account as a basis for calculation. If the Investment Manager has not received a performance management fee for 5 years, a new High Watermark will be set in year 6, being the highest NAV per share on 31 December for the 5 previous years.

For the avoidance of any doubt, the above example is provided for illustration purposes only and is not an indication of future performance.

Table 2: Share Classes of Mutuafondo Spain Lux

Share Class name	A	I	L	F
Share Class Reference Currency	EUR	EUR	EUR	EUR
Distribution (D) or Capitalisation (C)	C	C	C	C
Minimum Subscription	10 EUR	10 EUR	10 EUR	10 EUR
Minimum Additional Subscription	-	-	-	-
Minimum Holding	-	-	-	-

Maximum Subscription Fee	0%	0%	0%	0%
Maximum Redemption Fee	0%	0%	0%	0%
Management Company Fee	Up to 0.02%	Up to 0.02%	Up to 0.02%	Up to 0.02%
Investment Management Fee	1.35%	0.70%	0.70%	0,10%
Performance Fee	6%	6%	6%	0%
<i>Taxe d'abonnement</i>	0.05%	0.01%	0.05%	0.01%

APPENDIX C – MUTUACTIVOS INTERNATIONAL SICAV – MUTUAFONDO FLEXIBLE BONDS

1. LAUNCH DATE

The Shares of Mutuactivos International SICAV – Mutuafondo Flexible Bonds will be issued for the first time at a date to be set by resolution of the Board of Directors. Following the Board of Directors' resolution, confirmation of the Sub-Fund's date of issue will be available at the registered office of the Management Company. All conditions in the prospectus that relate specifically to this Sub-Fund will only become effective as of the Sub-Fund's date of issue.

2. REFERENCE CURRENCY

The Reference Currency of the Sub-Fund is EUR.

3. INVESTMENT OBJECTIVE

The Sub-Fund seeks to achieve capital growth through investment in a diversified portfolio of fixed income instruments. The Sub-Fund is actively managed and does not use any index for comparison purposes.

4. INVESTMENT POLICY AND SPECIFIC RESTRICTIONS

The management of the Sub-Fund follows financial and extra-financial criteria of socially responsible investment, also called ESG (Environmental, Social and Governance) criteria.

The Sub-Fund promotes environmental and social characteristics according to SFDR Art. 8, but does not have a sustainable investment objective according to SFDR Art. 9. For further information of the Sub-Fund under the SFDR, investors are referred to the Annex III to this Prospectus.

The Sub-Fund will invest in public and/or private fixed income securities including up to a maximum of 5% in non-synthetic securitisations, up to a maximum of 5% in senior convertible bonds and up to a maximum of 40% in subordinated debt (with subsequent collection rights to common creditors) of financial entities and non-financial, including up to 15% in contingent convertible bonds ("CoCos"), generally issued in perpetuity with repurchase options for the issuer, and in the event of contingency, they can convert into equity or apply a write-down of the bond principal, with the latter negatively affecting the net asset value of the Sub-Fund.

The maximum equity exposure related to the conversion of the bonds is 10% of the total exposure.

The Sub-Fund may also invest in debt securities of real estate companies, including bonds issued by real estate investment funds like REITs (real estate investment trusts).

Issuers and/or markets will be at least 50% OECD, the rest could be non-OECD and up to 25% in emerging markets.

The fixed income assets or issuers will have at purchase date at least a medium credit rating (minimum rating BBB- by any internationally recognized rating agency) and up to a maximum of 50% can have low credit rating (below BBB- by all the internationally-recognized rating agencies) or non-rated. Securities that have suffered a credit downgrade below the BBB- rating after their purchase may remain in the Sub-Fund at the Investment Manager's discretion if such holding is considered by the Investment Manager as being

in the interest of the relevant Shareholders. As a result, the Sub-Fund may have up to 100% of the assets in its portfolio below the minimum credit rating (below BBB-).

The ratings mentioned refer to the ones of the principal rating agencies. For those assets with no minimum rating, the Investment Manager has established an internal credit rating process whereby an equivalent credit rating will be attributed to the relevant asset taking into consideration also the issuer's rating. The Sub-Fund may keep securities that become distressed (e.g. due to a rating downgrade) if such holding is considered by the Investment Manager being in the interest of the relevant Shareholders, but does not actively invest in such securities.

Average portfolio duration between 0 and 7 years.

Currency risk exposure: 0-5%.

Listed and/or OTC derivatives may be used for hedging and/or investment purposes.

The Sub-Fund is not permitted to invest in aggregate more than 10% of its net assets in shares or units of UCITS or other UCI. The fixed income assets include deposits and money market instruments.

The Sub-Fund intends to use the "efficient portfolio management techniques" referred to in section 4.7 of this prospectus.

Unfunded total return swaps may be used to hedge investment positions or as a part of the investment policy and within the limits of the investment restrictions. The maximal proportion of the Sub-Funds assets that will be subject to such total return swaps may represent up to a maximum of 100% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the proportion of the Sub-Funds assets that will be subject to total return swaps will not exceed 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The fees or transaction costs upon entering into total return swaps is usually included by the counterparty in the price of the instrument. This counterparty may belong to the group of the Depositary.

The Sub-Fund may employ further techniques and instruments relating to Transferable Securities and Money Market Instruments, such as repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions, for the purposes of efficient portfolio management. In particular, such techniques and instruments may be used for efficient portfolio management or to generate additional income.

The principal amount of the Sub-Fund's assets that can be subject to repurchase transactions or reverse repurchase transactions, buy-sell back transactions or sell-buy back transactions may represent for such SFTs on a cumulative, aggregated basis up to a maximum of 100% of the Net Asset Value of the Sub-Fund. Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed 20% of the Net Asset Value of the Sub-Fund. Under exceptional circumstances this proportion may be higher representing up to 100% of the Net Asset Value of the Sub-Fund.

Specifically, on an ad hoc basis and always with the objective of efficiently managing the Sub-Fund's liquidity, reverse repurchase agreements on Eurozone government bonds of at least medium credit quality (minimum BBB- according to the main rating agencies) with a maximum maturity of 7 days will be made. Exceptionally, reverse repo purchases of Eurozone government bonds of at least medium credit quality (minimum BBB- by any internationally-recognized rating agency) with a maximum maturity of up to 180 days may be made. In this case, the counterparty risk is mitigated by the fact that the transaction is collateralised by the purchased asset.

Repurchase agreements, reverse repurchase agreements, buy-sell back and sell-buy back transactions will be entered into on a continuous basis for example to manage the cash of the Sub-Fund.

The Sub-Fund may incur fees and transaction costs upon entering into such techniques and instruments. These transactions shall be cost-effective and shall be carried out with financial institutions of recognised standing in the market that do not belong to the economic group of the Investment Manager and may belong to the economic group of the Depositary.

Temporary situations of lower portfolio risk will be allowed, without changing the investment vocation.

5. INVESTOR PROFILE

The Sub-Fund is intended for investors seeking to achieve capital growth by assuming risks according to the investment policy. The Sub-Fund is intended as a medium term investment. Investors should consider their own personal circumstances and seek additional advice from their financial adviser or other professional adviser on their risk tolerance and investment horizon before investing in the Sub-Fund. The Sub-Fund may not be suitable for investors who plan to withdraw their money in less than 4 years.

6. SPECIFIC RISKS

Investors should carefully read section 6 ("General Risk Factors") of the Prospectus before investing in the Sub-Fund. Investors should also consider the following additional risks which are specific to the Sub-Fund.

The investments described above may involve, inter alia, interest rate risk, credit risk, liquidity risk and risk because of the use of derivative financial instruments.

Market risk: Market risk is a general risk associated with investing in any type of asset. Asset prices depend in particular on the performance of the financial markets as well as on the economic developments of the issuers, which in turn are influenced by the general situation of the world economy and by political and economic circumstances within the respective countries. In particular, the investments entail a:

- Market risk from investment in equities: Derived from changes in equity asset prices. The equity market is generally highly volatile, which means that the price of equity assets can fluctuate significantly.
- Interest rate risk: Changes or fluctuations in interest rates affect the price of fixed income assets. Rising interest rates generally have a negative effect on the price of these assets, while falling interest rates determine price increases. The sensitivity of changes in the price of fixed income securities to interest rate fluctuations is all the greater the longer the maturity of the security.

Risk of investing in emerging markets: the investments in emerging markets can have more volatility than the investments in developed countries. Some of these countries can have instable governments, economies based on only few industries and stock markets with a limited number of stocks listed. The risk of nationalization or expropriation of assets and the social, political and economic instability is greater in emerging markets than in developed markets. The stock markets of emerging countries have a lower volume of negotiation than in a developed market what can lead to lack of liquidity and high volatility prices.

Credit risk: Investment in fixed income assets involves credit risk related to the issuer and/or the issue. Credit risk is the risk that the issuer will be unable to pay principal and interest when due. Credit rating agencies assign credit ratings to certain fixed income issuers/issues to indicate their likely credit risk. Generally, the price of a fixed income security will fall if the obligation to pay principal or interest is defaulted on, if rating agencies downgrade the credit rating of the issuer or the issue, or if other news affects the market's perception of its credit risk. Issuers and issues with high credit ratings have low credit risk, while issuers and issues with medium credit ratings have moderate credit risk. The non-requirement of credit ratings for issuers of fixed-income securities or the selection of issuers or issues with low credit ratings results in the assumption of a high credit risk.

Liquidity risk: Investing in small-cap securities and/or markets with small size and limited trading volume may deprive investments of liquidity which may adversely affect the price conditions under which the Sub-Fund may be forced to sell, buy or modify its positions.

CoCos related risks:

CoCos are deeply subordinated securities and, as such, carry several significant risks for investors:

Trigger level risk: CoCos which qualify as AT1 can be converted in CoCos qualifying as CET1 if certain levels are triggered. As a result, CoCos which qualify as AT1 de facto carry an equity risk. The amount of CET1 varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator.

Coupon cancellation: Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. While all CoCos (AT1 and T2) are subject to conversion or write down when the issuing bank reaches the trigger level, for AT1s there is an additional source of risk for the investor in the form of coupon cancellation in a going concern situation. Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 instruments and may lead to mispricing of risk. Perhaps most challenging to investors, given the required absence of dividend stoppers/pushers, the AT1 holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

Capital structure inversion risk: Contrary to classic capital hierarchy, CoCo investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g. when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo when equity holders will already have suffered loss. Moreover, high trigger T2 CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1s and equity.

Call extension risk: AT1 CoCos are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual CoCos will be called on call date. AT1 CoCos are a form of permanent capital. The investor may not receive return of principal if expected on call date or indeed at any date.

Unknown risk: The structure of the instruments is innovative yet untested. In a stressed environment, when the underlying features of these instruments will be put to the test, it is uncertain how they will perform. In the event a single issuer activates a trigger or suspends coupons, will the market view the issue as an idiosyncratic event or systemic. In the latter case, potential price contagion and volatility to the entire asset class is possible. This risk may in turn be reinforced depending on the level of underlying instrument arbitrage. Furthermore, price formation may be increasingly stressed in an illiquid market.

Yield/Valuation risk: Investors have been drawn to the instrument as a result of the CoCos' often attractive yield which may be viewed as a complexity premium. Yield has been a primary reason this asset class has attracted strong demand, yet it remains unclear whether investors have fully considered the underlying risks. Relative to more highly rated debt issues of the same issuer or similarly rated debt issues of other issuers, CoCos tend to compare favourably from a yield standpoint. The concern is whether investors have fully considered the risk of conversion or, for AT1 CoCos, coupon cancellation.

Conversion risk: which represents the risk of having CoCos converted into equity at a non-favourable time with the investors that may suffer a loss depending on the conversion rate.

Write down risk: which represents the risk of incurring in a total loss of principal.

Industry concentration risk: which is related to the fact that CoCos are issued by bank institutions.

Risks arising from investments in derivative financial instruments:

The use of financial derivative instruments, including hedges of cash investments, also entails risks, such as the possibility of imperfect correlation between the movement in the value of derivative contracts and the hedged items, which may result in the hedge not being as successful as expected.

Investments in financial derivative instruments entail additional risks to those of cash investments because of the leverage involved, which makes them particularly sensitive to changes in the price of the underlying asset and can multiply losses in the value of the portfolio.

In addition, trading in financial derivative instruments that are not traded on organised derivatives exchanges entails additional risks, such as the risk of counterparty default, given the absence of a clearing house to interpose itself between the parties and ensure the successful completion of the transactions.

Sustainability risk: any environmental, social or governance event or condition that, if it were to occur, would have a material adverse effect on the value of the investment. The investment process takes into account sustainability risks and is based on own analyses. For this purpose, the Investment Manager uses its own methodology and takes into account ESG information published by the companies or issuers of the assets in which it invests as well as ratings published by external providers. The sustainability risk of investments will depend, inter alia, on the type of issuer, the sector of activity or its geographical location. Thus, investments with a higher sustainability risk may result in a decline in the price of the underlying assets and thus negatively affect the net asset value of the Sub-Fund's Share. The Investment Manager for this Sub-Fund takes into account the adverse impacts of investment decisions on sustainability factors (PAIS) in line with its Statement of Material Adverse Incidents which will be reported to Shareholders in forthcoming regular reports.

7. GLOBAL EXPOSURE

The global exposure of the Sub-Fund is calculated and monitored under the commitment approach. The global exposure of the Sub-Fund may not exceed its Net Asset Value.

8. VALUATION

Each Business Day is a Valuation Day. The Net Asset Value per Share will be calculated on each Valuation Day. With respect to this Sub-Fund, a Business Day is any day which is defined as a Business Day in the Prospectus and on which banks are open the whole day for non-automated business in Luxembourg and Spain.

9. SUBSCRIPTIONS

Each Valuation Day is a Subscription Day. The Cut-Off Time for subscription applications is 13:00 pm CET of the Subscription Day. Subscription applications must be settled by the end of the Subscription Settlement Period, which is two Business Days following the Subscription Day.

10. REDEMPTIONS

Each Valuation Day is a Redemption Day. The Cut-Off Time for redemption applications is 13:00 pm CET of the Redemption Day. Redemption applications will normally be settled by the end of the Redemption Settlement Period, which is two Business Days following the Redemption Day.

11. SHARE CLASSES

The table at the end of this Supplement lists all Share Classes established within the Sub-Fund. Certain Share Classes may currently not be active or may be unavailable to investors in certain jurisdictions. The list of active Share Classes currently available for subscription in each jurisdiction may be obtained from the Management Company upon request and on www.luxcellence.com.

12. DISTRIBUTION POLICY

Subject to the provisions of the Prospectus, Distribution Share Classes will normally distribute dividends in accordance with the following distribution policies:

All Share Classes are accumulative. The returns obtained are reinvested into the Sub-Fund.

13. ELIGIBLE INVESTORS

Share Classes A are not restricted to any type of investor.

Share Classes I are reserved for institutional investors.

Share Classes L are reserved to distributors, platforms or other types of intermediaries who operate fee based arrangements with the clients, and are not allowed to accept or retain commissions.

14. PERFORMANCE FEE

The Investment Manager is entitled to receive from the Fund, at the charge of the Share Classes I and L, a performance fee. The performance fee will be calculated on the basis of the outperformance from the NAV per share, after deducting all expenses and liabilities, before deducting any performance fee whatsoever and adjusted to take into account all subscriptions and redemptions. For reference, please consider the example below.

The term “outperformance” means the percentage increase of the NAV per share calculated on each Valuation Day, after deducting all expenses and liabilities, before deducting any performance fee whatsoever and adjusted to take into account all subscriptions and redemptions, compared to the High Watermark.

The “High Watermark” is defined as the highest Net Asset Value per share (after deducting all expenses, liabilities and adjusted to take into account all subscriptions and redemptions) ever previously achieved by the relevant Share Class over the performance reference period. Unless stated otherwise, the initial High Watermark is the launch price of the relevant Share Class.

The performance reference period is equal to a period of five years on a rolling basis. In this case a performance fee may only be paid if there has been an outperformance of the previous High Watermark during the previous five years and a new High Watermark has been defined on the basis of such outperformance.

If there has not been an outperformance of the last High Watermark used to pay a performance fee during the previous five years on a rolling basis, the mechanism for compensation for past underperformance (or negative performance) is reset in which case the new High Watermark corresponds to the highest NAV per share at the end of a financial year over the previous performance reference period.

The performance fee, if any, calculated according to the methodology described above will be accrued at each NAV calculation based on the outstanding Shares on the day the NAV is calculated and is then crystallised at the end of the relevant financial year and settled on a yearly basis at the end of that year in arrears.

In the event that a shareholder redeems shares prior to the end of the relevant financial year, any accrued but unpaid performance fee related to those shares shall be crystallized on the date of the investors' redemption and paid at the end of the relevant financial year in arrears.

With this High Watermark model, the yearly frequency for the crystallization of the performance fee (if any) and the yearly frequency for the subsequent payment to the Investment Manager are defined in such a way as to ensure alignment of interests between the Investment Manager and the Sub-Fund's Shareholders and fair treatment among Shareholders.

In case of closure/merger of sub-funds and/or upon investors' redemptions, performance fees, if any, should crystallise in due proportions on the date of the closure/merger and/or investors' redemption. In case of merger of sub-funds, the crystallisation of the performance fees of the merging sub-fund should be authorised subject to the best interest of investors of both the merging and the receiving sub-funds.

Example of the calculation of the performance fees:

Year	NAV performance	High Water Mark (HWM)	Performance of the share class	Outperformance regarding the HWM	Payment of performance fee
1	99	100.00	-1.00%	-1.00%	NO
2	105	100.00	6.06%	5.00%	YES
3	100	104.50	-4.76%	-4.31%	NO
4	103	104.50	3.00%	-1.44%	NO
5	106	104.50	2.91%	1.44%	YES

The share class uses a High Watermark model over a performance reference period of 5 years on a rolling basis for the calculation of the performance fee on annual results, the crystallisation date being 31 December. Assuming that at the end of the year the result is 25,000 euros, applying 6% on these results, the performance fee would be 1,500 euros. The High Watermark is set at this net asset value. In the following year, if this High Watermark is not reached, no performance fee will be charged. If, on the other hand, the High Watermark is exceeded, only the outperformance from this High Watermark will be taken into account as a basis for calculation. If the Investment Manager has not received a performance management fee for 5 years, a new High Watermark will be set in year 6, being the highest NAV per share on 31 December for the 5 previous years.

For the avoidance of any doubt, the above example is provided for illustration purposes only and is not an indication of future performance.

Table 3: Share Classes of Mutuafondo Flexible Bonds

Share Class name	A	I	L
Share Class Reference Currency	EUR	EUR	EUR
Distribution (D) or Capitalisation (C)	C	C	C
Minimum Subscription	10 EUR	10 EUR	10 EUR
Minimum Additional Subscription	-	-	-
Minimum Holding	-	-	-
Maximum Subscription Fee	0%	0%	0%
Maximum Redemption Fee	0%	0%	0%
Management Company Fee	Up to 0.02%	Up to 0.02%	Up to 0.02%
Investment Management Fee	0.93%	0.30%	0.30%
Performance Fee	-	6%	6%
<i>Taxe d'abonnement</i>	0.05%	0.01%	0.05%

ANNEX 1

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: MUTUACTIVOS INTERNATIONAL **Legal entity identifier:** N/A
SICAV – MUTUAFONDO FI LUX

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> No
<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>



What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes the sustainable use of natural resources and the mitigation of climate change, focusing primarily on reducing greenhouse gas (GHG) emissions from companies and countries in which it invests.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Greenhouse gases (GHGs) are gases that retain part of the infrared radiation emitted by the Earth after being heated by the Sun, i.e. gases that retain energy in the atmosphere. The concentration of these gases has an impact on the climate and thus on the sustainability of the planet. The main greenhouse gases (GHGs) are: carbon dioxide (CO₂), methane (CH₄), water vapour (H₂O), nitrous oxide (N₂O) and ozone (O₃). GHGs are considered to be primarily responsible for climate change. The Sub-Fund does not follow a benchmark to determine whether it is in line with the environmental or social characteristics it promotes.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager relies on information provided by external providers such as Morningstar, as well as alternative sources of information, including information obtained from the companies themselves or from the management companies in the case of investment in other UCIs, to measure the achievement of the characteristics promoted by the product.

For corporate bond assets the main indicator to measure the environmental characteristic promoted by the Sub-Fund is greenhouse gas intensity, which is calculated as tonnes of CO₂e/EUR million ("EURm") revenue incorporating scopes 1 and 2. Scopes 1 and 2 refer to the emissions that are used for the calculation of the indicator. Thus, scope 1 is the direct emissions produced by fuel combustion by the emitter, and scope 2 is the indirect emissions generated by the electricity consumed and purchased by the emitter.

For sovereign bonds, the main indicator to measure the environmental characteristic promoted by the Sub-Fund is the greenhouse gas intensity of countries, which is calculated as thousands of tonnes CO₂e/unit of gross-domestic product (GDP) - in EURm.

Investments in UCIs will be classified as Article 8 or 9 according to the SFDR and its greenhouse gas intensity will be calculated for its underlying investments, using the same methodology as described above: For corporate bonds, the relevant indicator is GHG intensity calculated as tonnes CO₂e/ revenue in EURm and for sovereign bonds, the relevant indicator is GHG intensity calculated as tonnes CO₂e/unit of gross-domestic product (GDP) in EURm.

In the case of investments in UCIs classified as Article 8 SFDR products, only the percentage of their underlying assets that promote ESG characteristics will compute towards the calculation of the overall Sub-Fund's percentage of assets that promote ESG characteristics.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable

– *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

– *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, the Investment Manager takes into account the principal adverse impacts (PAI) on sustainability factors in the management of this product.

The consideration of PAIS shall be done by measuring and assessing certain indicators listed in Table 1 of Annex I of the Delegated Regulation, and any relevant indicators in Tables 2 and 3 of that Annex. Specific information on the indicators used shall be reflected in the periodic reporting of the Fund and together with the Investment Manager's statement relative to PAIS can be found here:

https://www.mutua.es/mactivos/recursos/pdf/fondos-inversion/PIAs_SGIIIC.pdf

Further information on PAIs on sustainability factors will be set out in the Fund's annual report.

No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Investment Manager applies two types of strategies in its investment process to promote environmental characteristics (first exclusions at asset level and then decarbonisation strategy at portfolio level):

- 1) Exclusions (at asset level): according to the list of exclusions detailed in the following section.
- 2) Decarbonisation strategy at portfolio level, as described below.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The promotion of environmental characteristics is carried out through a set of binding criteria in relation to the investment strategies mentioned below, exclusions at an asset level and a decarbonisation strategy at a portfolio level.

First, exclusions are applied to the investment universe. The decarbonisation is then applied to the portfolio, as described in the “decarbonisation strategy” section below.

1. Exclusions

Exclusions are as follow:

Corporate bonds

- Energy: companies are excluded from the investment universe when more than 5% of their revenues derive from the production of fossil fuels from oil sands or from oil and gas exploration or extraction in the Arctic.
- Thermal coal: companies are excluded from the investment universe when more than 5% of their revenues derive from the extraction of thermal coal.

Additional exclusions apply for corporate bonds in line with Investment Manager's ESG Risk Integration Policy, such as:

- Controversial weapons: companies that derive any amount of their revenues from the manufacture or sale of controversial weapons (landmines, cluster munitions, chemical weapons and biological weapons) are excluded from the investment universe.
- Tobacco: companies where more than 5% of their revenues derive from tobacco production are excluded from the investment universe.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- No investment will be made in companies in serious breach of UN Global Compact principles.

Public debt securities

- No direct investment can be made in sovereign bonds of countries that are above the 60th global percentile in terms of GHG intensity as defined in indicator 15 of Table 1 of Annex I to the Delegated Regulation (i.e. those countries with a higher intensity compared to other countries).
- In addition, and in accordance with the Investment Manager's ESG Risk Integration Policy, countries responsible for social violations under international treaties and conventions, United Nations principles and, where applicable, national laws are excluded from the investment universe. These social violations can be related to civil conflict, state repression, transnational conflict, violent crime, labour rights and discrimination.

UCI

- When investing in UCIs, the Investment Manager assesses the alignment of the UCI's exclusion policy with its own exclusion policy during the due diligence process and will not invest in case the policies are not aligned, except in case of investing in Index-tracking ETFs.

2. Decarbonisation strategy

Corporate bonds

- The Investment Manager will calculate the GHG intensity of the Sub-Fund's assets invested directly or indirectly (through UCIs) in corporate bonds. To do so, it calculates the GHG intensity of each emitter in the portfolio (including UCIs) weighted by the relative weight of each emitter in the portfolio. This calculation is based on the GHG emissions in Scopes 1 and 2 of each emitter relative to its revenues, expressed in tonnes CO₂e/revenue in EURm. The main data provider will be Morningstar.
- The GHG intensity of the corporate bond assets (through direct and indirect investments) of the Sub-Fund must be lower than the average GHG intensity of the funds belonging to the same Morningstar category as the Sub-Fund. The Morningstar category of the Sub-Fund is EUR Diversified Bond - Short Term.

Government bonds

- The Investment Manager shall calculate the GHG emission intensity of assets invested directly or indirectly (through UCIs) in sovereign bonds. To do so, it

calculates the GHG intensity of each sovereign debt issuer in the portfolio (including investments in UCIs) weighted by the relative weight of each issuer in the portfolio.

- The GHG intensity of the Sub-Fund's assets (through direct and indirect investments) must be lower than the 75th percentile of the GHG intensity of OECD countries as defined in indicator 15 of Table 1 of Annex I to the Delegated Regulation (i.e. those countries with a lower intensity compared to other countries).

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no commitment in this regard.

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices are an integral part of the Investment Manager's due diligence, using various sources of information such as through meetings with the management, brokers' reports, KPIs etc.. Additionally, several indicators listed in Tables 1 and 2 of Annex I of the Delegated Regulation are monitored, including: breaches of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises, and the percentage of women on the boards of directors.



What is the asset allocation planned for this financial product?

Asset allocation

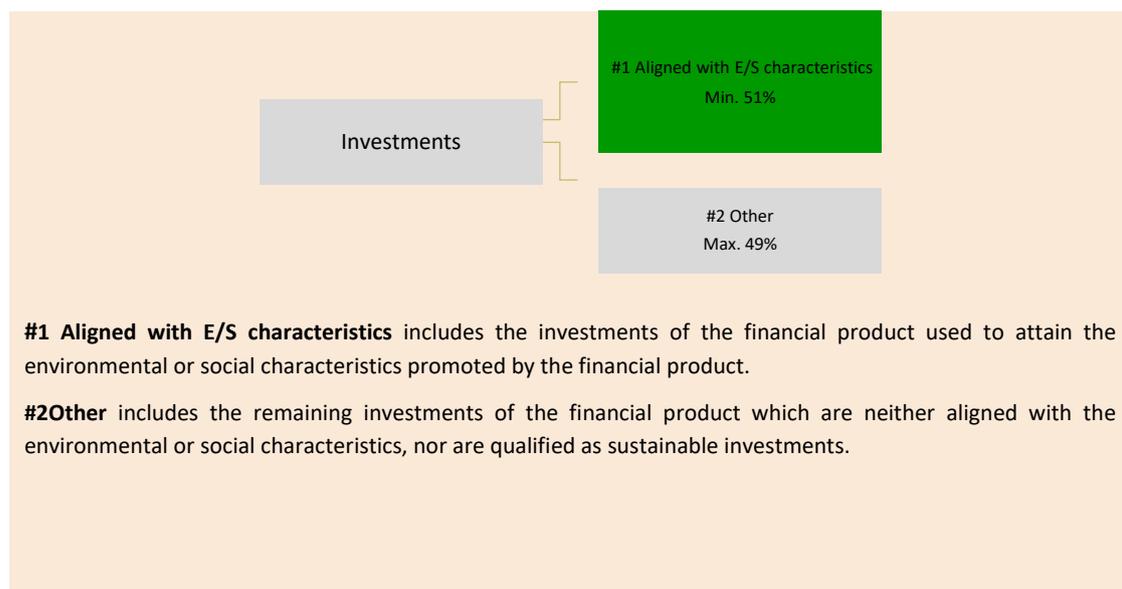
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies

#1 Aligned with E/S characteristics: At least 51% of the Sub-Fund's assets promote the above characteristics.

#2 Other: All other investments of the Sub-Fund are classified as "Other".



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable



- **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes:

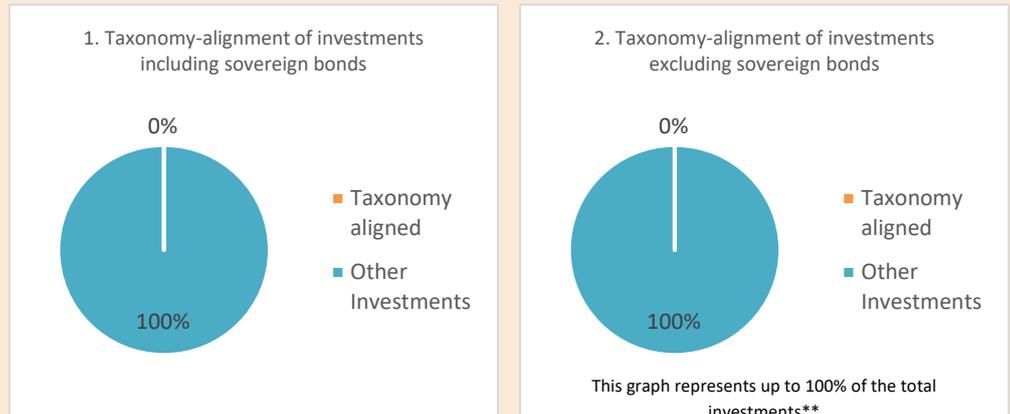
In fossil gas

In nuclear energy

No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

** As the Sub-fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

● **What is the minimum share of investments in transitional and enabling activities?**

As the Sub-Fund does not commit to make investments which are aligned with the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

As the Sub-Fund does not commit to make investments which are aligned with the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under “Other” do not alter or prejudice the achievement of the environmental characteristics promoted by the Sub-Fund and may include, but are not limited to, assets for which insufficient ESG information is available, as well as financial derivative instruments, assets used for liquidity management or other assets permitted under the Sub-Fund's investment policy. These investments may never exceed 49% of the Sub-Fund's assets and shall aim to maximise the financial performance of the Sub-Fund.

There are minimum environmental safeguards for the entire portfolio, as any direct investment must meet the Sub-Fund's exclusion criteria described above in order to enter the portfolio. In addition, both direct and indirect investments will be taken into account for the calculation of the Sub-Fund's decarbonisation strategy indicators (GHG intensity), subject to data availability.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mutua.es/seguros-ahorro-inversion/comunicaciones-participes-accionistas/

ANNEX 2

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: MUTUACTIVOS INTERNATIONAL SICAV – **Legal entity identifier:** N/A
MUTUAFONDO SPAIN LUX

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<p>It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p>It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>



What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes the sustainable use of natural resources and the mitigation of climate change, focusing primarily on reducing greenhouse gas (GHG) emissions from companies and countries in which it invests.

Greenhouse gases (GHGs) are gases that retain part of the infrared radiation emitted by the Earth after being heated by the Sun, i.e. gases that retain energy in the atmosphere. The concentration of these gases has an impact on the climate and thus on the sustainability of the planet. The main greenhouse gases (GHGs) are: carbon dioxide (CO₂), methane (CH₄), water vapour (H₂O), nitrous oxide (N₂O) and ozone (O₃). GHGs are considered to be primarily responsible for climate change.

The Sub-Fund does not follow a benchmark to determine whether it is in line with the environmental or social characteristics it promotes.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager relies on information provided by external providers such as Morningstar, as well as alternative sources of information, including information obtained from the companies themselves or from the management companies in the case of investment in other UCIs to measure the achievement of the characteristics promoted by the product.

For equity and corporate bond assets, the main indicator to measure the environmental feature promoted by the Sub-Fund is greenhouse gas intensity, which is calculated as tonnes of CO₂e/EURm revenue, incorporating scopes 1 and 2. Scopes 1 and 2 refer to the emissions that are used for the calculation of the indicator. Thus, scope 1 is the direct emissions produced by fuel combustion by the emitter, and scope 2 is the indirect emissions generated by the electricity consumed and purchased by the emitter.

For sovereign bonds, the main indicator to measure the environmental feature promoted by the Sub-Fund is greenhouse gas intensity of countries, which is calculated as thousands of tonnes CO₂e/unit of GDP (in EURm).

Investments in UCIs will be classified as Article 8 or 9 according to the SFDR and its greenhouse gas intensity will be calculated for its underlying investments, using the same methodology as described above: For equity and corporate bonds, the relevant indicator is GHG intensity calculated as tonnes CO₂e/ revenue in EURm and for sovereign bonds, the relevant indicator is GHG intensity calculated as tonnes CO₂e/unit of gross-domestic product (GDP) in EURm.

In the case of investments in UCIs classified as Article 8 SFDR products, only the percentage of their underlying assets that promote ESG characteristics will compute towards the calculation of the overall Sub-Fund's percentage of assets that promote ESG characteristics.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Yes, the Investment Manager takes into account the principal adverse impacts (PAI) on sustainability factors in the management of this product.

The consideration of PAIS shall be done by measuring and assessing certain indicators listed in Table 1 of Annex I of the Delegated Regulation (EU) 2022/1288 (the “Delegated Regulation”), and any relevant indicators in Tables 2 and 3 of that Annex. Specific information on the indicators used shall be reflected in the periodic reporting of the Fund and together with the Investment Manager's statement relative to PAIS can be found here: https://www.mutua.es/mactivos/recursos/pdf/fondos-inversion/PIAs_SGIIC.pdf

Further information on PAIs on sustainability factors will be set out in the Fund's annual report.

No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-fund will invest in equities, fixed income (corporate bonds and public debt) and in other UCIs. The Investment Manager applies two types of strategies in its investment process to promote environmental characteristics (first exclusions at asset level and then decarbonisation strategy at portfolio level):

- 1) Exclusions (at asset level): according to the list of exclusions detailed in the following section.
- 2) Decarbonisation strategy at portfolio level, as described below.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The promotion of environmental characteristics is carried out through a set of binding criteria in relation to the investment strategies mentioned below: exclusions at an asset level and a decarbonisation strategy at a portfolio level.

First, exclusions are applied to the investment universe. The decarbonisation strategy is then applied to the portfolio.

1. Exclusions

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Exclusions are as follows:

Equities and corporate bonds

- Energy: companies are excluded from the investment universe where more than 5% of their revenues derive from the production of fossil fuels from oil sands or from oil and gas exploration or extraction in the Arctic.
- Thermal coal: companies are excluded from the investment universe when more than 5% of their revenues derive from the extraction of thermal coal are excluded from the investment universe.
- Additional exclusions apply for equities and corporate bonds in line with the Investment Manager's ESK Risk Integration Policy, such as:
 - Controversial weapons: companies that derive any amount of their revenues from the manufacture or sale of controversial weapons (landmines, cluster munitions, chemical weapons and biological weapons) are excluded from the investment universe.
 - Tobacco: companies where more than 5% of their revenues derive from tobacco production are excluded from the investment universe.
 - No investment in companies in serious breach of UN Global Compact principles.

Public debt securities

- No direct investments can be made in sovereign bonds of countries that are above the 60th global percentile in terms of GHG intensity as defined in indicator 15 of Table 1 of Annex I to the Delegated Regulation (i.e. those countries with a higher intensity compared to other countries).
- In addition, and in accordance with the Investment Manager's ESG Risk Integration Policy, countries responsible for social violations under international treaties and conventions, United Nations principles and, where applicable, national laws are excluded from the investment universe. These social violations can be related to civil conflict, state repression, transnational conflict, violent crime, labour rights and discrimination.

UCI

- When investing in UCIs, the Investment Manager assesses the alignment of the UCI's exclusion policy with its own exclusion policy during the due diligence process and will not invest in case the policies are not aligned, except in case of investing in Index-tracking ETFs.

2. Decarbonisation strategy

Equities and corporate bonds

- The Investment Manager will calculate the GHG intensity of the Sub-Fund's assets invested directly or indirectly (through UCIs) in both equities and corporate bonds. To do so, it calculates the GHG intensity of each issuer in the portfolio (including UCIs) weighted by the relative weight of each issuer in the portfolio. This calculation is based on the GHG

emissions in Scopes 1 and 2 of each emitter relative to its revenues, expressed in tonnes CO2e/revenue in EURm. The main data provider will be Morningstar.

- The GHG intensity of the equity and corporate bond assets (through direct and indirect investments) of the Sub-Fund must be lower than the average GHG intensity of the funds belonging to the same Morningstar category as the Sub-Fund. The Morningstar category of Sub-Fund is Spain Equity.

Sovereign bonds

- The Investment Manager shall calculate the GHG emission intensity of assets invested directly or indirectly (through UCIs) in sovereign bonds. To do so, it calculates the GHG intensity of each sovereign debt issuer in the portfolio (including UCIs) weighted by the relative weight of each issuer in the portfolio.
- The GHG intensity of the Sub-Fund's assets (through direct and indirect investments) must be lower than the 75th percentile of the GHG intensity of OECD countries as defined in indicator 15 of Table 1 of Annex I to the Delegated Regulation (i.e. those countries with a lower intensity compared to other countries).

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no commitment in this regard.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices are an integral part of the Investment Manager's due diligence, using various sources of information such as through meetings with the management, brokers' reports, KPIs etc.. Additionally, several indicators listed in Tables 1 and 2 of Annex I of the Delegated Regulation are monitored, including: breaches of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises and the percentage of women on the boards of directors.

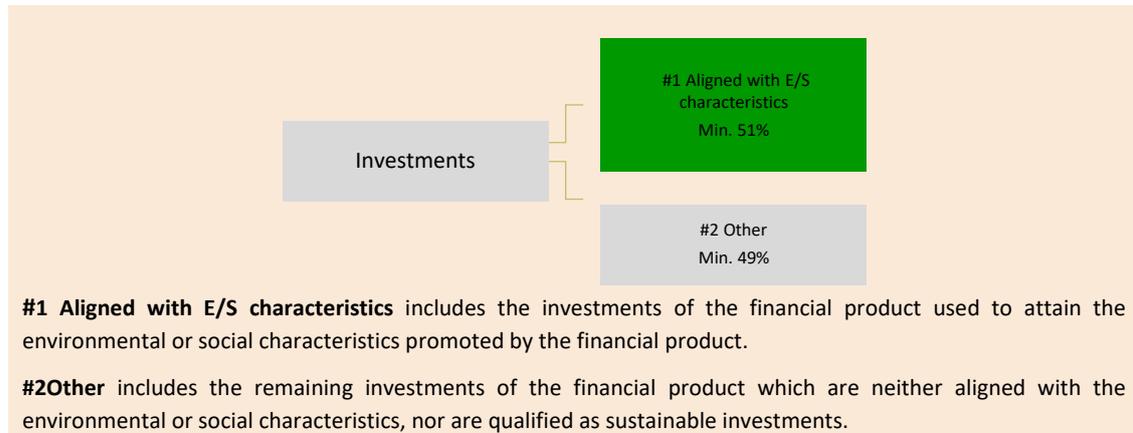


Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

#1 Aligned with E/S characteristics: At least 51% of the Sub-Fund's assets promote the above characteristics.

#2 Other: All other investments of the fund are classified as "Other".



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable



- **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The product does not have a minimum proportion of sustainable investments adjusted with the EU taxonomy regulation.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?**

Yes:

In fossil gas In nuclear energy

No

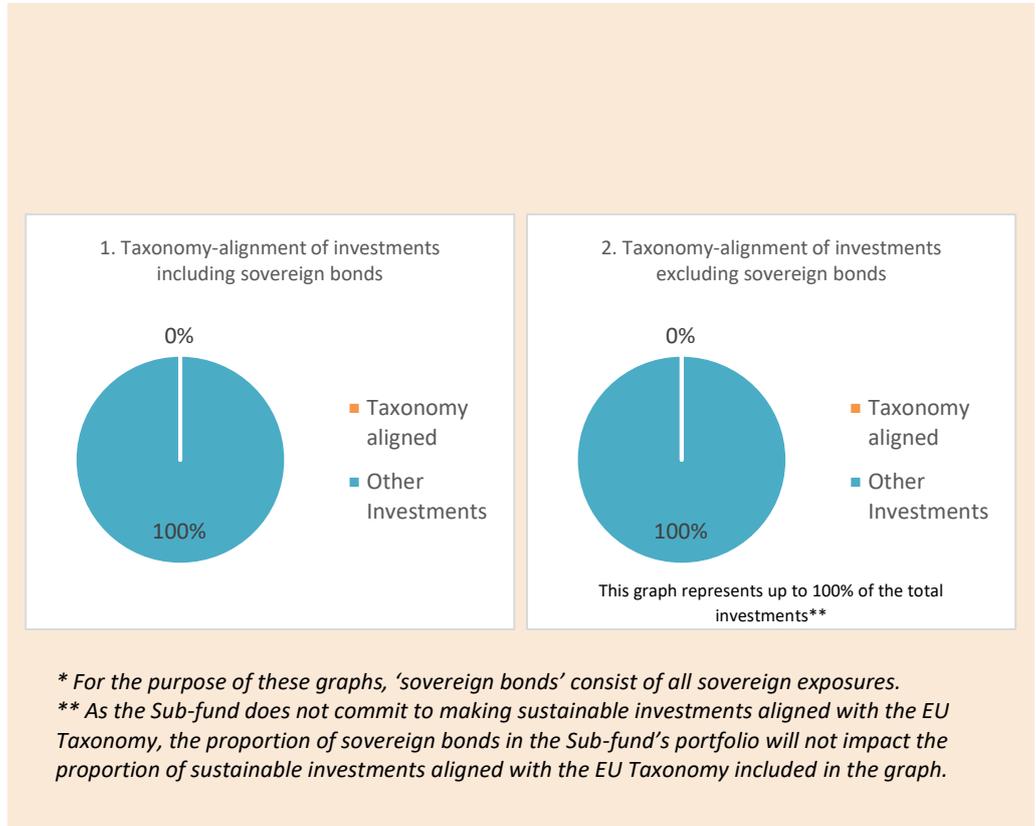
² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



● **What is the minimum share of investments in transitional and enabling activities?**

As the Sub-Fund does not commit to make investments which are aligned with the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

As the Sub-Fund does not commit to make investments which are aligned with the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under “Other” do not alter or prejudice the achievement of the environmental characteristics promoted by the Fund and may include, but are not limited to, assets for which insufficient ESG information is available, financial derivative instruments, assets used for liquidity management or other assets permitted under the Sub-Fund's investment policy. These investments may never exceed 49% of the Sub-Fund's assets and shall aim to maximise the financial performance of the Sub-Fund.

There are minimum environmental safeguards for the entire portfolio, as any direct investment must meet the Sub-Fund's exclusion criteria described above in order to enter the portfolio. In addition, both direct and indirect investments will be taken into account for the calculation of the Sub-Fund's decarbonisation strategy indicators (GHG intensity), subject to data availability.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable

- ***How does the designated index differ from a relevant broad market index?***

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mutua.es/seguros-ahorro-inversion/comunicaciones-participes-accionistas/

ANNEX 3

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: MUTUAFONDO FLEXIBLE BONDS

Legal entity identifier: N/A

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** ___%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** ___%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes the sustainable use of natural resources and the mitigation of climate change, focusing primarily on reducing greenhouse gas (GHG) emissions from companies and countries in which it invests.

Greenhouse gases (GHGs) are gases that retain part of the infrared radiation emitted by the Earth after being heated by the Sun, i.e. gases that retain energy in the atmosphere. The concentration of these gases has an impact on the climate and thus on the sustainability of the planet. The main greenhouse gases (GHGs) are: carbon dioxide (CO₂), methane (CH₄), water vapour (H₂O), nitrous oxide (N₂O) and ozone (O₃). GHGs are considered to be primarily responsible for climate change.

The Sub-Fund does not follow a benchmark to determine whether it is in line with the environmental or social characteristics it promotes.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager relies on information provided by external providers such as Morningstar and Sustainalytics, as well as alternative sources of information, including information obtained from the companies themselves or from the management companies in the case of investment in other UCIs, to measure the achievement of the characteristics promoted by the product.

For corporate bond assets and equity, the main indicator to measure the environmental characteristic promoted by the fund is greenhouse gas intensity, which is calculated as tonnes of CO₂e/EURm revenue incorporating scopes 1 and 2. Scopes 1 and 2 refer to the emissions that are used for the calculation of the indicator. Thus, scope 1 is the direct emissions produced by fuel combustion by the emitter, and scope 2 is the indirect emissions generated by the electricity consumed and purchased by the emitter.

For sovereign bonds, the main indicator to measure the environmental characteristic promoted by the Sub-Fund is the carbon equivalent greenhouse gas emission intensity of countries, which is calculated as thousands of tonnes CO₂e/unit of GDP (in EURm).

Investments in UCIs will be classified as Article 8 or 9 according to the SFDR and its greenhouse gas intensity will be calculated for its underlying investments, using the same methodology as described above: For equity and corporate bonds, the relevant indicator is GHG intensity calculated as tonnes CO₂e/ revenue in EURm and for sovereign bonds, the relevant indicator is GHG intensity calculated as tonnes CO₂e/unit of gross-domestic product (GDP) in EURm. These indicators are calculated by Morningstar.

In the case of investments in UCIs classified as Article 8 SFDR products, only the percentage of their underlying assets that promote ESG characteristics will compute towards the calculation of the overall Sub-Fund's percentage of assets that promote ESG characteristics.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Not applicable

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, the Investment Manager takes into account the principal adverse impacts (PAI) on sustainability factors in the management of this product.

The consideration of principal adverse impacts (PAIS) shall be done by measuring and assessing certain indicators listed in Table 1 of Annex I of the Delegated Regulation (EU) 2022/1288 (the “Delegated Regulation”), and any relevant indicators in Tables 2 and 3 of that Annex. Specific information on the indicators used shall be reflected in the periodic reporting of the Fund and together with the Investment Manager's Statement

relative to Principle Adverse Impacts can be found here:
https://www.mutua.es/mactivos/recursos/pdf/fondos-inversion/PIAs_SGIC.pdf
Further information on PAIs on sustainability factors will be set out in the Fund's annual report.

No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund will invest in public/private fixed income including liquid securitizations, senior convertible bonds and subordinated debt including contingent convertible bonds. The Investment Manager for this Sub-Fund applies two ESG types of strategies in its investment process to promote environmental characteristics (first exclusions at asset level and then decarbonisation strategy at portfolio level):

- 1) Exclusions (at asset level): according to the list of exclusions detailed in the following section.
- 2) Decarbonisation strategy at portfolio level, as described below.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The promotion of environmental characteristics is carried out through a set of binding criteria in relation to the ESG investment strategies mentioned below: exclusions at an asset level and a decarbonisation strategy at a portfolio level.

First, exclusions are applied to the investment universe. The decarbonisation strategy is then applied to the portfolio.

1. Exclusions

Exclusions differ according to the type of assets invested in:

Equity and Corporate bonds

- Energy: companies are excluded from the investment universe when more than 5% of their revenues derive from the production of fossil fuels from oil sands or from oil and gas exploration or extraction in the Arctic.
- Thermal coal: companies are excluded from the investment universe when more than 5% of their revenues derive from the extraction of thermal coal.
- Additional exclusions apply for equities and corporate bonds in line with the Investment Manager's ESG Risk Integration Policy, such as:
 - Controversial weapons: companies that derive any amount of their revenues from the manufacture or sale of controversial weapons (landmines, cluster munitions, chemical weapons and biological weapons) are excluded from the investment universe.
 - Tobacco: companies where more than 5% of their revenues derive from tobacco production are excluded from the investment universe.
 - No investment will be made in companies in serious breach of UN Global Compact principles.

Sovereign bonds

- No direct investment can be made in sovereign bonds of countries that are above the 60th global percentile in terms of GHG intensity as defined in indicator 15 of Table 1 of Annex I to the Delegated Regulation (i.e. those countries with a higher intensity compared to other countries).
- In addition, and in accordance with the Investment Manager's ESG Risk Integration Policy, countries responsible for social violations under international treaties and conventions, United Nations principles and, where applicable, national laws are excluded from the investment universe. These social violations can be related to civil conflict, state repression, transnational conflict, violent crime, labour rights and discrimination.

UCI

- When investing in UCIs, the Investment Manager assesses the alignment of the UCI's exclusion policy with its own exclusion policy during the due diligence process and will not invest in case the policies are not aligned, except in case of investing in Index-tracking ETFs.

2. Decarbonisation strategy

Equity and Corporate bonds

- The Investment Manager will calculate the GHG intensity of the Sub-Fund's assets invested directly or indirectly (through UCIs) in both equities and corporate bonds. To do so, it calculates the GHG intensity of each emitter in the portfolio (including UCIs) weighted by the relative weight of each emitter in the portfolio. This calculation is based on the GHG emissions in Scopes 1 and 2 of each emitter relative to its revenues, expressed in tonnes CO₂e/revenue in EURm. The main data provider will be Morningstar. The GHG intensity of the equity and corporate bond assets (through direct and indirect investments) of the Sub-Fund must be lower than the average GHG intensity of the funds belonging to the same Morningstar category as the Sub-Fund. The Morningstar category of the Sub-Fund is EUR Diversified Bond.

Sovereign bonds

- The Investment Manager shall calculate the GHG emission intensity of assets invested directly or indirectly (through UCI) in government bonds. To do so, it calculates the CO₂e intensity of each sovereign debt issuer in the portfolio (including investments in UCIs) weighted by the relative weight of each issuer in the portfolio. The main data provider will be Sustainalytics for direct investments and Morningstar for investments through third party funds.
- The GHG intensity of the Sub-Fund's assets (through direct and indirect investments) must be lower than the 75th percentile of the CO₂e intensity of OECD countries as defined in indicator 15 of Table 1 of Annex I to the Delegated Regulation (i.e. those countries with a lower intensity compared to other countries).

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no commitment in this regard.

- ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices are an integral part of the Investment Manager's due diligence, using various sources of information such as through meetings with the management, brokers' reports, KPIs etc.. Additionally, several indicators listed in Tables 1 and 2 of Annex I of the Delegated Regulation are monitored, including: breaches of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises and the percentage of women on the boards of directors.



What is the asset allocation planned for this financial product?

Asset allocation

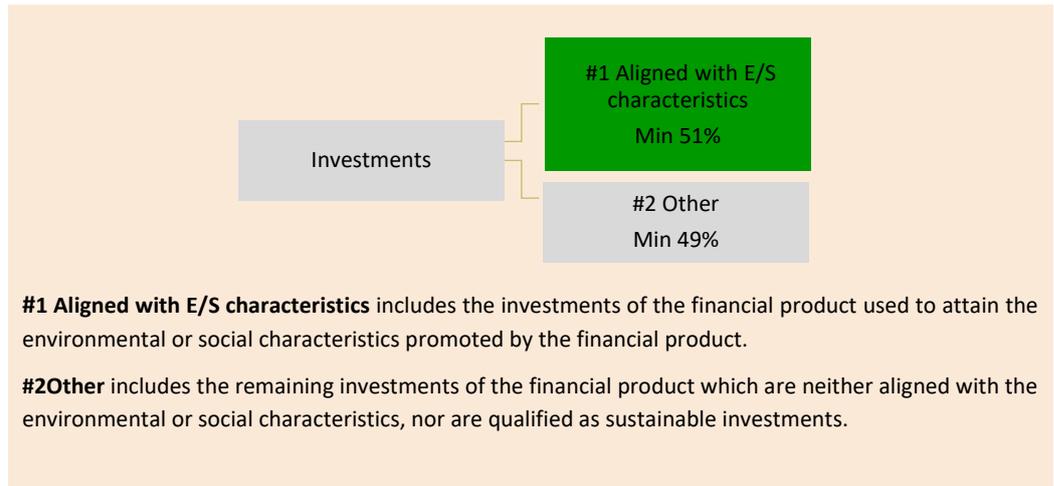
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

#1 Aligned with E/S characteristics: At least 51% of the Sub-Fund's assets promote the above characteristics.

#2 Other: All other investments of the fund are classified as "Other".



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This Sub Fund does not have a minimum proportion of sustainable investments adjusted to an EU taxonomy environmental target.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy³?**

³ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

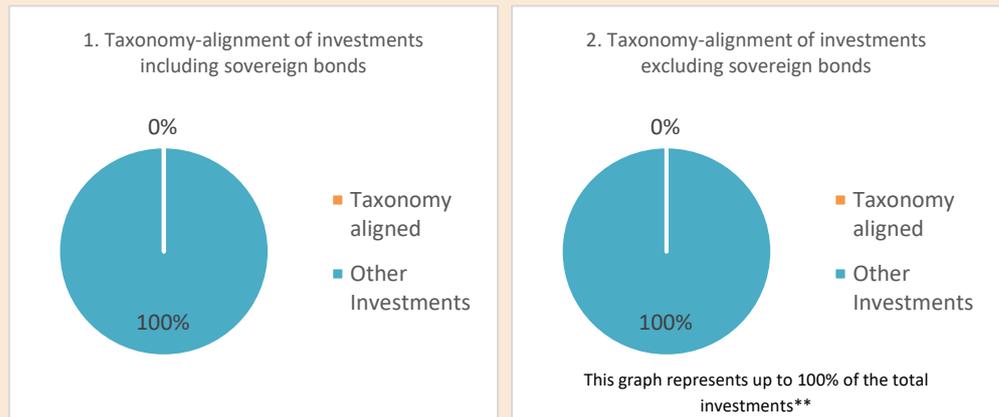
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- Yes:
- In fossil gas In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



● **What is the minimum share of investments in transitional and enabling activities?**

As the Sub-Fund does not commit to make investments which are aligned with the EU Taxonomy, the minimum share of investments in transitional and enabling activities within the meaning of the EU Taxonomy is therefore also set at 0%.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under “Other” do not alter or prejudice the achievement of the environmental characteristics promoted by the Sub-Fund and may include, but are not limited to, assets for which insufficient ESG information is available, as well as financial derivative instruments, assets used for liquidity management or other assets permitted under the Sub-Fund's investment policy. These investments may never exceed 49% of the Sub-Fund's assets and shall aim to maximise the financial performance of the Sub-Fund.

There are minimum environmental safeguards for the entire portfolio, as any direct investment must meet the Sub-Fund's exclusion criteria described above in order to enter the portfolio. In addition, both direct and indirect investments will be taken into account for the calculation of the Sub-Fund's decarbonisation strategy indicators (GHG intensity) subject to data availability.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable

- *How does the designated index differ from a relevant broad market index?*

Not applicable

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.mutua.es/seguros-ahorro-inversion/comunicaciones-participes-accionistas/