

# YCAP FUND

*Société d'investissement à capital variable (SICAV)*

Luxembourg  
R.C.S. Luxembourg B 172172

## Prospectus

**Dated january 2023**

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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
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Commission de Surveillance du Secteur Financier

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## YCAP FUND

*Société d'investissement à capital variable (SICAV)*

*Registered Office*

*60, avenue J.F. Kennedy,*

*L-1855 Luxembourg*

*Grand Duchy of Luxembourg*

## INTRODUCTION

YCAP FUND (hereinafter also referred to as the “**Company**” or the “**SICAV**”) is an investment company, qualifying as a “*société d'investissement à capital variable*” with multiple sub-funds under the laws of the Grand Duchy of Luxembourg, which envisages to invest in a diversified range of transferable securities and/or other liquid financial assets permitted by law, conforming to the investment policy of each particular sub-fund.

The Company is an Undertaking for Collective Investment in Transferable Securities (a “**UCITS**”) for the purpose of the Council Directive 2009/65/EC (“**UCITS Directive**”). The Company is registered in the Grand Duchy of Luxembourg pursuant to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time (the “**UCI Law**”). However, such registration does not imply a positive assessment by the Luxembourg supervisory authority of the financial sector of the contents of the current prospectus (the “**Prospectus**”) or of the quality of the shares (the “**Shares**”) offered to sale. Any representation to the contrary is unauthorised and unlawful.

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

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

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

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

Subscriptions for Shares can be accepted only on the basis of the current Prospectus. The Company will produce an annual report (the “**Annual Report**”) containing the audited accounts and semi-annual reports (the “**Semi-Annual Reports**”). Following the publication of the first of either report, the current Prospectus at that date will be valid only if accompanied by such Annual Report or Semi-Annual Report.

The key investor information documents of each Class of each Sub-Fund (the "Key Investor Information Documents" or "KIID"), the Prospectus, the latest annual and semi-annual reports of the Company, are available at the registered office of the Company and will be sent to investors upon request. Such reports shall be deemed to form part of this Prospectus.

Before subscribing to any Class and to the extent required by local laws and regulations each investor shall consult the relevant Key Investor Information Document(s).

The Key Investor Information Documents provide information in particular on historical performance, the synthetic risk and reward indicator and charges. Key Investor Information Documents are available on the following website: [www.homacapital.fr](http://www.homacapital.fr)

At the discretion of the Board of Directors, Share Classes of the Sub-Funds may be listed for reporting and trading on the regulated market of the Luxembourg Stock Exchange and/or any other stock exchange from time to time upon a decision of the Board of Directors, pursuant to the terms and conditions set forth in Appendix D "Sub-Funds Specifications". The Net Asset Value per Ordinary Share shall in such case be published on the Luxembourg Stock Exchange Website and/or the Website of the Company and/or in financial data services. For so long as the Shares of any Sub-Fund are listed on the Luxembourg Stock Exchange, the Company shall comply with the requirements of the Luxembourg Stock Exchange relating to those Shares.

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

Any reference to "USD" or "US Dollar" in the Prospectus refers to the lawful currency of the United States of America.

## **IMPORTANT INFORMATION**

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

## **DATA PROTECTION**

In accordance with the applicable Luxembourg data protection law that is the EU General Data Protection Regulation (Regulation (EU) 2016/679) and any other EU or national legislation which implements or supplements the foregoing on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("Data Protection Law"), any personal data provided in connection with an investment in the Company and on an ongoing basis in the context of the below mentioned purposes, may be collected, stored and processed, by electronic or other means, by the Company, the Management Company, the Domiciliary Agent, the Depositary, the Administrative Agent, the Registrar and Transfer Agent, the Global Distributor or Distributor, the Independent Auditor and the Legal Advisors and their affiliates acting as data processors (when processing the Personal Data as defined below upon instructions of the data controller) or as data controllers (when processing the Personal Data as defined below for their own purposes, namely fulfilling their own legal obligations), as appropriate.

The data processed include identification data such as the name, address, e-mail address, bank and financial data, transaction history of each investor, data concerning personal characteristics (“Personal Data”).

In case the investor is a legal person, the Company may collect, store and process Personal Data concerning “Controlling Persons” who are natural persons exercising control over the entity investing in Shares of the Company.

Personal Data supplied by the investor may be processed for the purposes of (i) subscribing and redeeming in the Company, (ii) maintaining the Shares register; (iii) processing investments and withdrawals of and payments of dividends to the investor; (iv) account administration, (v) opening, closing and blocking of accounts in the name of the Shareholders, (vi) sending legal information or notices to the Shareholders, (vii) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations and (viii) complying with legal or regulatory requirements, including foreign laws. Personal Data is not used for marketing purposes.

The Personal Data may be collected processed and stored on a cross-border basis within entities located in member states and/or outside EU having equivalent data protection requirements.

By subscribing for shares of the Company, investors agree to the aforementioned processing of their personal data and in particular, the disclosure of their personal data to, and the processing of their personal data by, the parties referred to above including affiliates situated in countries outside of the EU that in the views of the European Commission do not provide an equivalent level of protection of Personal Data. Investors acknowledge that the transfer of their personal data to these parties may occur via and/or their personal data may be processed by parties in countries which may not have data protection requirements deemed equivalent to those prevailing in the EU. In such case, these parties will ensure that appropriate or suitable safeguards are implemented to protect Personal Data, in particular by using standard data protection clauses approved by the European Commission.

The investor may, at its discretion, refuse to communicate the Personal Data to the Company. In this case, however, the Company may reject its request for subscription or holding of Shares in the Company or proceed with the compulsory redemption of all Shares already held, as the case may be, under the terms and conditions set forth in the Articles and in the Prospectus.

The Investors agree that the Company, will report any relevant information in relation to their investments in the Company to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities as agreed in the FATCA Law, CRS Law or similar laws and regulations in Luxembourg or at EU level.

In accordance with the conditions laid down by the Data Protection Law, the investor acknowledges its right to:

- access its Personal Data;
- correct its Personal Data where it is inaccurate or incomplete;
- object to the processing of its Personal Data;
- restrict the use of its Personal Data;
- ask for erasure of its Personal Data;
- ask for Personal Data portability.



The investors may exercise the above rights by writing to the data controller at the registered office of the Company.

The Investor also acknowledges the existence of its right to lodge a complaint with the local competent data protection supervisory authority.

The investors' Personal Data shall not be held for longer than necessary with regard to the purpose of data processing, subject to applicable legal minimum retention periods.

## **CONFLICTS OF INTEREST**

The Management Company, the investment manager, their holding companies, holding companies' shareholders, any subsidiaries of their holding companies and any of their directors, officers, employees, agents and affiliates may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with the Company. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisers, or agents of other funds or other companies. In particular it is envisaged that the Management Company may be involved in advising other investment funds which may have similar or overlapping investment objectives to or with the Company. The Management Company may provide services to third parties similar to those provided to the Company and shall not be liable to account for any profit earned from any such services. Where a conflict arises the Management Company will endeavour to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, including the Company, the Management Company may be faced with conflicts of interest with regard to such duties but will ensure that investment opportunities in those circumstances will be allocated fairly.

The Management Company and/or any company associated with it may enter into portfolio transactions for or with the Company either as agent, in which case they may receive and retain customary brokerage commissions and/or cash commission rebates, or with the approval of the Depositary, deal as a principal with the Company in accordance with normal market practice subject to such commissions being charged at rates which do not exceed customary full service brokerage rates.

The Management Company and/or any company associated with it reserves the right to effect transactions by or through the agency of another person with whom the Management Company and/or any company associated with it have an arrangement under which that party will from time to time provide to or procure for the Management Company and/or any company associated with it goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the performance of the Company or of the Management Company and/or any company associated with it in providing services to the Company and for which no direct payment is made but instead the Management Company and/or any company associated with it undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

## **1. ORGANISATION OF THE COMPANY**

### **BOARD OF DIRECTORS**

Mrs. Juliette Mayer  
4, rue des Girondins  
L-1626 Luxembourg  
Chairman of the Board of Directors  
Avocat à la Cour  
Independent Director

Mr. Lionnel Malca  
37, avenue Pierre 1er de Serbie F-75008 Paris  
Chairman of HOMA CAPITAL SA

Mr. Frédéric Deflorenne  
13, rue Paul Goedert, L-3330 Crauthem  
Luxembourg  
Independent Director

### **ADMINISTRATION**

#### **MANAGEMENT COMPANY**

HOMA CAPITAL SA  
37, avenue Pierre 1er de Serbie  
F-75008 Paris

#### **MANAGEMENT OF THE MANAGEMENT COMPANY**

Mr. Lionnel Malca  
37, avenue Pierre 1er de Serbie F-75008 Paris  
Chairman

Mr. Youssef El Ouariti  
37, avenue Pierre 1er de Serbie F-75008 Paris  
General Secretary  
CLO/CCO

#### **AUDITOR OF THE MANAGEMENT COMPANY**

FINAUCOM  
43 Rue Saint Georges  
75009 PARIS

### **INVESTMENT MANAGER**

HOMA CAPITAL SA  
37, avenue Pierre 1er de Serbie  
F-75008 Paris

## **DEPOSITARY BANK**

BNP Paribas, Luxembourg Branch  
60, avenue J.F. Kennedy,  
L-1855 Luxembourg

## **ADMINISTRATIVE AGENT AND DOMICILIARY AGENT**

BNP Paribas, Luxembourg Branch  
60, avenue J.F. Kennedy,  
L-1855 Luxembourg

## **REGISTRAR, TRANSFER AND PAYING AGENT**

BNP Paribas, Luxembourg Branch  
60, avenue J.F. Kennedy,  
L-1855 Luxembourg

## **AUDITOR**

PricewaterhouseCoopers, *société coopérative*  
2, rue Gerhard Mercator  
L-2182 Luxembourg

## **2. LEGAL FORM AND STRUCTURE OF THE COMPANY**

YCAP FUND has been incorporated on 10 October 2012 under Luxembourg law as a “*société d’investissement à capital variable*” (“**SICAV**”). The capital of the Company shall at all times be equal to the value of the net assets of all the Sub-Funds of the Company. The initial subscribed capital at incorporation was EUR 31, 000. - (thirty-one thousand EURO) divided into 310 Class A fully paid shares of RISKELIA TACTICAL INVESTMENT.

The minimum capital of the Company shall be the equivalent of EUR 1,250,000. - (one million two hundred and fifty thousand EURO) within six (6) months from authorisation by the Luxembourg regulator. For the purpose of determining the capital of the Company, the net assets attributable to each Sub-Fund, if not expressed in Euro, will be converted into Euro at the then prevailing exchange rate in Luxembourg.

The Company’s articles of incorporation have been deposited with the Luxembourg Register of Commerce and Companies (the “Register”) and were published in the Mémorial, Recueil Spécial des Sociétés et Associations (the “Mémorial”) on 29 October 2012. Following an Extraordinary General Meeting, the Company on 3 October, 2016 has modified its articles of incorporation. These amendments were published in the Mémorial now the Recueil Electronique des Sociétés et Associations (RESA). Copies thereof may be obtained from the Register of Companies in Luxembourg upon payment of the Registrar’s costs.

The Company’s articles of incorporation may be amended from time to time by a general meeting of shareholders, subject to the quorum and majority requirements provided by Luxembourg law. If required by the law, any amendment thereto shall be published in the RESA, in a Luxembourg daily newspaper and, if necessary, in the official publications specified for the respective countries in which the Shares are sold. Such amendments become legally binding on all shareholders, following their approval by the general meeting of shareholders.

The Company is one single entity; however, the right of investors and creditors regarding a Sub-Fund or raised by the constitution, operation or liquidation of a Sub-Fund are limited to the assets of this Sub-Fund, and the assets of a Sub-Fund will be answerable exclusively for the rights of the shareholders relating to this Sub-Fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this Sub-Fund. In the relations between the Company's shareholders, each Sub-Fund is treated as a separate entity.

Any amendments affecting the rights of the holders of Shares of any Class *vis-à-vis* those of any other Class shall be subject further to the said quorum and majority requirements in respect of each relevant Class.

The Board of Directors may decide to create further Sub-Funds with different investment objectives, and in such cases, this Prospectus will be updated accordingly. The Board of Directors shall maintain for each Sub-Fund a separate pool of assets.

### 3. SUB-FUNDS

This is an offer to subscribe for Shares issued without par value in YCAP FUND, each Share being linked to one of the sub-funds of the Company (the "**Sub-Funds**"). The details of each Sub-Fund are specified in Appendix D.

Different classes of shares may be issued in each Sub-Fund of the Company (the "**Classes**" or a "**Class**"), as determined by the Board of Directors and outlined in Appendix C. For further information about the rights attaching to the various Shares and Classes of Shares, see Section 7 "Form of Shares" and Section 9 "Classes of Shares".

On the launch date (the "**Launch Date**") or during the initial subscription period (the "**Initial Subscription Period**") Shares in each Sub-Fund will be offered at an initial price (the "**Initial Price**") as specified for each Sub-Fund in Appendix D. The initial Price will be subject to the commissions detailed under Section 16 "Fees, Expenses and Commissions" and in Appendix D.

The reference currency (the "**Reference Currency**") of each Sub-Fund is the currency in which the Net Asset Value of each Sub-Fund is denominated, as specified for each Sub-Fund in Appendix D.

The Board of Directors may however decide to calculate the Net Asset Value per Share of one or more Sub-Funds/Class(es) of Shares in addition to the Reference Currency in another denomination currency (the "**Other Denomination Currency**") as further detailed for the respective Sub-Funds/Classes of Shares in Appendix D. The Net Asset Value calculated in an Other Denomination Currency is the equivalent of the Net Asset Value in the Reference Currency of the Sub-Fund converted at the prevailing exchange rate.

The launch of a Sub-Fund takes place on the Initial Subscription Day or the last day of the Initial Subscription Period as specified for each Sub-Fund in Appendix D. If no subscription is accepted on this date, the Launch Date will be the next following Valuation Day on which the first subscriptions for the relevant Sub-Fund will have been accepted at the Initial Subscription Price.

## 4. MANAGEMENT AND ADMINISTRATION

### 4.1 The Board of Directors

The Board of Directors is responsible for the Company's management, control, administration and the determination of its overall investment objectives and policies.

There are no existing or proposed service contract between any of the directors and the Company, although the directors are entitled to receive remuneration in accordance with usual market practice.

### 4.2 The Management Company

HOMA CAPITAL SA, a limited liability company established under French laws, with registered office at 37, avenue Pierre 1er de Serbie, 75008 Paris, France (the "Management Company") has been designated to serve as management company to the Company in accordance with the provisions of the UCI Law.

The Management Company was incorporated for a limited duration under the laws of France on 20 August 2010, registered with Paris Trade Register (Paris *Registre de Commerce et des Sociétés*) under number 524 396 348. Its share capital amounts to EUR 1,000,000.00.-.

The Management Company has been registered with the *Autorité des Marchés Financiers* as of 13 January 2011 under number GP-11000002.

HOMA CAPITAL SA was granted by the *Commission de Surveillance du Secteur Financier* ("CSSF") the authorisation to exercise as a foreign management company in Luxembourg on 25 July 2016.

The Management Company also acts as management company for other investment funds. The names of these other funds will be published in the financial reports of the Management Company.

According to an agreement entered into on 2 September 2016 between the Management Company and the Company, the Management Company shall in particular be responsible for the following duties:

- overall coordination of the investment policy of all Sub-Funds and for the investment management and supervision of the Sub-Funds on a day-to-day basis;
- Central administration, including *inter alia*, the calculation of the net asset value (the "Net Asset Value" or "NAV"), the procedure of registration, conversion and redemption of the Shares and the general administration of the Company;
- distribution of the Shares of the Company; in this respect the Management Company may with the consent of the Company appoint other distributors/nominees as further outlined here below;
- General coordination, administration and marketing services.

The Management Company has in place a remuneration policy in line with the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

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

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

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

The remuneration policy is determined and reviewed at least on an annual basis by a remuneration committee.

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

The rights and duties of the Management Company are governed by the UCI Law and an agreement entered into for an unlimited period of time. This agreement may be terminated by either party upon ninety days' prior written notice.

In accordance with applicable laws and regulations and with the prior consent of the Board of Directors, the Management Company is empowered to delegate, under its responsibility, all or part of its duties and powers to any person or entity, which it may consider appropriate. It being understood that the Prospectus shall, in such case, be amended accordingly.

Board of the management company

Mr. Lionnel Malca  
Chairman

Mr. Youssef El Ouariti  
General Secretary  
CLO/CCO

Mr. Jean-Claude Mailly  
Independent board member

Mr. Jean-Martin Cohen Solal  
Independent board member

Mrs Karine Melloul  
Independent board member

#### 4.3 The Investment Managers

For the definition of the investment policy and the management of some of the Company's Sub-Funds, the Management Company may be assisted by one or several investment managers (the "**Investment Manager**").

The Management Company may, with the consent of the Board of Directors, expressly delegate to an Investment Manager the discretion, on a daily basis but subject to the overall control and responsibility of the Management Company and the Company, to purchase and sell securities as agent for the Company and otherwise to manage the portfolios of some of the Sub-Funds for the account and in the name of the Company.

The details of the Investment Manager, if any, of the Sub-Funds are indicated in the Appendix D.

#### 4.4 The Depositary

BNP Paribas , Luxembourg Branch has been appointed as depositary of the Company under the terms of a written agreement dated 2 September 2016 as amended from time to time between BNP Paribas , Luxembourg Branch, the Management Company and the Company (the "**Depositary**").

BNP Paribas, Luxembourg Branch is a branch of BNP Paribas. BNP Paribas is a licensed bank incorporated in France as a Société Anonyme (public limited company) registered with the Registre du commerce et des sociétés Paris (Trade and Companies' Register) under number No. 662 042 449, authorised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and supervised by the Autorité des Marchés Financiers (AMF), with its registered address at 16 Boulevard des Italiens, 75009 Paris, France, acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B23968 and supervised by the Commission de Surveillance du Secteur Financier (the "CSSF").

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Art 34(1) of the law of December 17, 2010), (ii) the monitoring of the cash flows of the Company (as set out in Art 34(2) of the law of December 17, 2010) and (iii) the safekeeping of the Company's assets (as set out in Art 34(3) of the law of December 17, 2010).

Under its oversight duties, the Depositary is required to:

- (1) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the law of December 17, 2010 or with the Company's articles of incorporation,
- (2) ensure that the value of Shares is calculated in accordance with the law of December 17, 2010 and the Company's articles of incorporation,
- (3) carry out the instructions of the Management Company, unless they conflict with the law of December 17, 2010 or the Company's articles of incorporation,
- (4) ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits;
- (5) ensure that the Company's revenues are allocated in accordance with the law of December 17, 2010 and its articles of incorporation.

The overriding objective of the Depositary is to protect the interests of the shareholders of the Company, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the Company maintains other business relationships with BNP Paribas, Luxembourg Branch in parallel with an appointment of BNP Paribas, Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to

- Outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas Securities Services or its affiliates act as agent of the Company or the Management Company, or
- Selection of BNP Paribas or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of shareholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interest;
- 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 segregation of duties, separation of reporting lines, insider lists for staff members;
  - 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, (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or (ii) refuse to carry out the activity giving rise to the conflict of interest;
  - Implementing a deontological policy;
  - recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Company's interests; or
  - setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Company and the shareholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Company's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The



Depository's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationships with the Depository in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from cristalizing, the Depository has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement. A list of these delegates and sub-delegates for its safekeeping duties is available in the website: <http://securities.bnpparibas.com/solutions/depositary-bank-trustee-services.html>

Such list may be updated from time to time. Updated information on the Depository's custody duties, a list of delegations and sub-delegations and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depository.

Updated information on the Depository's duties and the conflict of interests that may arise are available to investors upon request.

The Company or the Management Company acting on behalf of the Company may release the Depository from its duties with ninety (90) days written notice to the Depository. Likewise, the Depository may resign from its duties with ninety (90) days written notice to the Company. In that case, a new depositary must be designated to carry out the duties and assume the responsibilities of the Depository, as defined in the agreement signed to this effect. The replacement of the Depository shall happen within two months.

The Company has further appointed BNP Paribas, Luxembourg Branch as its principal paying agent responsible for the payment of distributions, if any, and for the payment of the redemption price by the Company.

BNP Paribas, Luxembourg Branch receives a fee for each of the Company's Sub-Funds whose amount has been determined in accordance with the current practice.

#### 4.5 The Domiciliary and Listing Agent, Administrative Agent, Registrar and Transfer Agent

Pursuant to the Administrative Agreement dated 2 September 2016 as amended, restated, novated from time to time, the Management Company has appointed BNP Paribas, Luxembourg Branch as administrative agent and registrar and transfer agent of the Company and the Company has appointed BNP Paribas, Luxembourg Branch as its domiciliary and listing agent.

In this capacity of Administrative Agent, BNP Paribas, Luxembourg Branch is responsible for the general administrative functions required by law, the calculation of the Net Asset Value of the Shares of each Sub-Fund and the maintenance of accounting records. In this capacity of Registrar and Transfer Agent, BNP Paribas, Luxembourg Branch is responsible for processing the issue, redemption, conversion and transfer of Shares on behalf of the Company, as well as for maintaining the register of Shareholders.

The Administrative Agreement is concluded for an indefinite period and may be terminated by either party upon 90 days' written notice.

Measures aimed towards the prevention of money laundering, as provided by the laws and regulations of the Grand Duchy of Luxembourg are under the supervision of the Registrar Agent and may require a detailed verification of the applicant's identity. Depending on the circumstances of each application, a detailed verification might not be required where:

- (i) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution or
- (ii) the application is made through a recognised intermediary.

These exceptions will only apply if the financial institution or intermediary referred to above are located in a country recognised by the Registrar Agent as having equivalent anti-money laundering regulations as stipulated by the FATF. The list of the countries, which comply with the FATF regulation is available upon request at the registered office of the Company or can be consulted in the Internet under . The Company reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company may refuse to accept the application and will not be liable for any interest, costs or compensation. The Company reserves the right to reject an application, for any reason, in whole or in part in which event the application monies or any balance thereof will be returned without unnecessary delay to the applicant by transfer to the applicant's designated account or by post at the applicant's risk. In such event, the Company will not be liable for any interest, costs or compensation.

In accordance with this agreement, BNP Paribas , Luxembourg Branch receives a fee for each of the Company's Sub-Funds whose amount has been determined in accordance with the current practice.

#### 4.6 The Auditor

The accounting data included in the annual report of the Company shall be reviewed by an auditor (*réviseur d'entreprises agréé*) appointed by the general meeting of shareholders and remunerated by the Company (the "**Auditor**"). The Auditor shall fulfil the duties prescribed by the UCI Law.

Pursuant to an audit services agreement (the "**Audit Agreement**"), PricewaterhouseCoopers *société coopérative*, with registered office at 2 rue Gerhard Mercator, L-2182 Luxembourg is the Auditor of the Company.

#### 4.7 The Distributors

The Management Company may, with the consent of the Company, decide to appoint distributors (the "**Distributors**") for the purpose of assisting in the distribution of the Shares of the Company in the countries in which they are marketed. Certain Distributors may not offer all of the Sub-Funds/Classes of Shares to their investors. Investors are invited to consult their Distributors for further details.

Distribution agreements (the "**Distribution Agreements**") will be signed between the Management Company and the different Distributors.

In accordance with the Distribution Agreements, the Distributors may be appointed as nominees. In such case, the Distributor, as nominee, shall be recorded in the Register of Shareholders and not the clients who have invested in the Company. The terms and conditions of the Distribution Agreements shall stipulate, amongst other things, that a client who has invested in the Company via a nominee shall at all times have a direct claim to the Shares subscribed through the nominee.

Subscribers may subscribe for Shares by applying directly to the Company without having to act through one of the Distributors.

### 5. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

The main objective of the Company is to seek capital appreciation by investing in a range of diversified transferable securities and/or other liquid financial assets permitted by law through the constitution of different professionally managed Sub-Funds.

Each Sub-Fund is managed in accordance with the investment powers and restrictions (the “**Investment Powers and Restrictions**”) specified in Appendix A, and may use the financial techniques and instruments (the “**Financial Techniques and Instruments**”) specified in Appendix B.

The investment objective and policy of each Sub-Fund is described in Appendix D.

## **6. RISKS**

### **6.1 Risk Management**

The Company employs 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-Funds and it employs a process allowing for accurate and independent assessment of the value of OTC Derivative instruments.

The Company has systems in place which ensure the supervision of the relevant regulatory and statutory investment limits. The latter are defined in the prospectus. Prior to any portfolio adjustment, the system automatically simulates the expected future portfolio. Based on the predicted changes, the system verifies that the intended transactions respect the relevant regulatory and statutory investment limits; only compliant transactions will be executed.

The Company also utilises a method that allows a precise and independent evaluation of the value of the OTC derivatives. The Company makes sure that the overall risk associated with the derivative instruments does not exceed the total net asset value of the portfolio. Risks are calculated taking account on the current value of the underlying assets, the counterparty risk, foreseeable changes in the markets and the time available for liquidating the positions.

The counterparty risk associated with OTC Derivative financial instruments is evaluated in accordance with the market value notwithstanding the necessity to use ad hoc price fixing models when the market price is not available. In addition, the integral credit equivalent approach, coupled with multiplier coefficients will be used to reflect the potential future risk.

The Company must furthermore communicate to the CSSF, the supervisory authority, regularly and in accordance with the rules the supervisory authority shall define, the types of derivatives instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with derivative instrument transactions.

### **6.2 Risk Factors**

#### **6.2.1 General**

Despite the possibility for the Company to use option, futures and swap contracts and to enter into forward foreign exchange transactions with the aim to hedge exchange rate risks, all Sub-Funds may be subject to market or currency fluctuations, and to the risks inherent in all investments. Movements in currency exchange rates can adversely affect the return of investment and there can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Sub-Fund currency.

Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

The past performance of the Company may not necessarily be an indication of the future results of the Company. There can be no assurance that the Company will achieve its investment objectives. An investment in a fund involves investment risks, including possible

loss of the amount invested. Investors should be aware that the investments of the Company are subject to market fluctuations and other risks. The value of investments and the income derived from it may fall as well as rise and investors may not recoup the original amount invested in the Company. As a consequence, the price of the Shares may fall as well rise. The capital return and income of the Company is based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the Company's return may be expected to fluctuate in response to changes in such capital appreciation or income. Consequently, the investment is suitable only for investors who are in a position to take such risks and to adopt a long-term approach to their investment strategy. An investment in the Company should be considered to be medium to long-term investment.

Investors should understand that all investments involve risks. The following are some of the risks of investing in the Company, but such list does not purport to be exhaustive.

The following is a general listing of a number of risks which may affect the value of the Shares. What factors will be of relevance to a particular Sub-Fund will depend upon a number of interrelated matters including, but not limited to, the nature of the Shares and the Sub-Fund's investment policy. Potential investors should review this Prospectus in its entirety, and consult their professional advisors, before making an application for Shares in any Sub-Fund.

Investment in any Sub-Fund involves a degree of financial risk which may vary among Sub-Funds; the value of the Shares and the return generated from them may go up or down, and investors may not recover the amount initially invested.

#### 6.2.2 Market Risk

The value of investments of the Company may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

#### 6.2.3 Currency risk

The Reference Currency of each Sub-Fund is not necessarily the investment currency of the Sub-Fund concerned. Investments are made in those currencies that best benefit the performance of the Sub-Funds in the view of the Investment Manager. Shareholders investing in a Sub-Fund other than in its Reference Currency should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

#### 6.2.4 Equity securities

The risk associated with investments in equity and equity-type securities include significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity in relation to debt paper issued by the same company.

Different markets also have different clearance and settlement procedures. Delays in settlement could result in a portion of the assets of a Sub-Fund remaining temporarily uninvested and in attractive investment opportunities being missed. Inability to dispose of portfolio securities due to settlement problems could also result in losses.

As the Net Asset Value of each Sub-Fund is calculated in its Reference Currency, the performance of investments denominated in a currency other than the Reference Currency shall depend on the strength of such currency against the Reference Currency and on the interest rate environment in the country issuing the currency.

#### 6.2.5 Debt securities

Debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit

rating. Bonds or debt securities issued by issuers with a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated issuers. In the event that any issuer of bonds or debt securities experiences financial or economic difficulties, this may affect the value of the bonds or debt securities and any amounts paid on such bonds or debt securities. This may in turn affect the Net Asset Value per Share.

Like equity securities, debt securities are also subject to market volatility risk, exchange rate risk and interest rate risk.

#### 6.2.6 Restrictions in connection with the Shares

Investors should note that there may be restrictions in connection with the subscription, holding and redemption of and trading of the Shares. Such restrictions may have the effect of preventing the investor from freely subscribing, holding, trading and/or redeeming the Shares. In addition, restrictions may also be caused by specific requirements such as a minimum subscription amount, a minimum subsequent subscription amount and a minimum redemption amount.

#### 6.2.7 Interest rate

Investors in the Shares should be aware that an investment in the Shares may involve interest rate risk. Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which an underlying of OTC Derivatives is denominated may affect the value of the Shares.

#### 6.2.8 Market volatility

Market volatility reflects the degree of (expected) instability of the performance of the Shares. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices of instruments which offer investors protection against such market volatility. The prices of these instruments are generally determined by the supply and demand in the options and derivatives markets. These forces are themselves affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

#### 6.2.9 Credit and settlement risks

Investors in the Company should be aware that an investment in the Company may involve credit risk. Bonds and other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities and any amounts paid on such securities. This may in turn affect the Net Asset Value per Share.

The Company may also bear the risk of settlement default. Market practices in relation to the settlement of certain securities transactions and the custodian of assets could provide increased risks. This may in turn affect the Net Asset Value per Share.

#### 6.2.10 Liquidity risk

Some of the markets in which the Company will invest may be less liquid and more volatile than the world's leading markets and this may result in fluctuations of the price of the Shares. This may also affect the ability to obtain prices for the components of an underlying of OTC Derivatives and may therefore affect the value of an underlying of OTC Derivatives. This may in turn affect the Net Asset Value per Share.

#### 6.2.11 Risks associated with financial derivative instruments

The Company may use financial derivative instruments traded on a regulated market and on over-the-counter markets. The use of these strategies involves certain risks, including without limitation:

- The possible absence of a liquid market;
- The risk of counterparty default delaying or impeding the recovery of the Company's assets. The Company's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations.

#### 6.2.12 Additional risks associated with an underlying of OTC Derivatives linked to specific types of securities or assets

There are special risk considerations associated with an underlying of OTC derivatives of which the performance is linked directly or indirectly to the following types of securities or assets. The degree of exposure to such factors will depend on the precise way in which an underlying of OTC Derivatives is linked to such assets.

##### 6.2.12.1 Futures and options

The Company may invest in futures and option contracts. Trading in future and option contracts is a specialised activity which, while it may increase the total return on the Company's portfolio, may entail greater than ordinary investment risks. Depending on the nature of the underlying assets, reference rates or other derivatives to which they relate and on the liquidity in the relevant contracts, the prices of such instruments may be highly volatile and hence risky in nature. Specifically, investing in futures may result in increased leveraging of the portfolio and increase volatility of the portfolio's return. There is settlement risk associated with futures investing and the risk that the counterparty to a futures contract may default on its obligations. Additionally, the portfolio's position in a futures contract may be illiquid for certain times, such as when a futures exchange imposes price movement limits on the contract.

##### 6.2.12.2 Total return swaps (TRS)

A TRS is a bilateral over-the-counter transaction wherein each party makes payments based on the return of an agreed reference underlying. These contracts represent a derivative combining market risk and credit risk which are affected by interest rate fluctuations, as well as events and credit prospects. A TRS, which involves the receipt of a total return by the Sub-Fund, is similar in terms of risk profile because it genuinely holds the underlying benchmark security. Furthermore, these transactions can be less liquid than interest rate swaps, as there is no standardisation of the underlying benchmark 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. The swap contract is an agreement between two parties, each of whom must bear the credit risk of the other. Hedging is used to minimise this risk. The information risk for TRS is reduced through adherence to the standard ISDA documentation.

When the investment policy of a Sub-Fund provides that the latter may invest in TRS and/or other derivative financial instruments that display similar characteristics, these investments will be made in compliance with the investment policy of such Sub-Fund.

The investment policy of the relevant Sub-Fund, shall provide for the type of underlyings (such as currencies, interest rates, transferable securities, a basket of transferable securities, indexes, or undertakings for collective investment) of such TRS and other derivative financial instruments that display the same characteristics.

The counterparties to such TRS will be high-standing financial institutions specialised in this type of transaction and subject to prudential supervision.

These counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of the derivative financial instruments.

The TRS and other derivative financial instruments that display the same characteristics shall not confer to the Company a right of action against the counterparty in the swap or in the derivative financial instrument, and any eventual insolvency of the counterparty may make it impossible for the payments envisioned to be received.

Risk control has globally set up monitoring and analysis of the risks of failure of systems and people and more specifically, within the framework of the company TRS trading activity, by setting up first-level and second level controls.

Regarding the operational risk related to the use of the TRS, the first levels controls encompass, among other measures, the control of the entries of the transactions in the trading tools, the permanence of the counter-valuation calculations engines, the correct recovery of the data which feeds the model, the proper functioning of the information flow exchanges with the counterparties (matching brokers).

The custody risk related to the use of TRS is described in part 4.4, in the case of a Depositary delegation for the safe keeping of the Company's assets to a third parties.

Legal risk arising from the use of TRS is covered with master agreement ISDA or equivalent and terms and conditions when necessary.

#### 6.2.12.3 Emerging markets assets

Exposure to emerging markets assets generally entails greater risks than exposure to well-developed markets, including potentially significant liquidity, legal, economic and political risks. Emerging markets being by definition in transformation, they are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases, both political and economic instability has occurred. Political and/or economic instability may affect investor confidence, which could in turn have a negative impact on the prices of emerging markets exchanges rates, securities and other assets

#### 6.2.13 Risks relating to the use of SFTs

The Company and any of its Sub-Funds may enter into repurchase agreements and reverse repurchase agreements as a buyer or as a seller subject to the conditions and limits set out in

Appendix A. If the other party to a repurchase agreement or reverse repurchase agreement should default, the Company or the relevant Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the underlying securities and/or other collateral held by the Company or the relevant Sub-Fund in connection with the repurchase agreement or reverse repurchase agreement are less than the repurchase price or, as the case may be, the value of the underlying securities. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or reverse repurchase agreement or its failure otherwise to perform its obligations on the repurchase date, the Company or the relevant Sub-Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement or reverse repurchase agreement.

The Company and any of its Sub-Funds may enter into securities lending transactions subject to the conditions and limits set out in Appendix A. If the other party to a securities lending transaction should default, the Company or the relevant Sub-Fund might suffer a loss to the extent that the proceeds from the sale of the collateral held by the Company or the relevant Sub-Fund in connection with the securities lending transaction are less than the value of the securities lent. In addition, in the event of the bankruptcy or similar proceedings of the other party to the securities lending transaction or its failure to return the securities as agreed, the Company or the relevant Sub-Fund could suffer losses, including loss of interest on or principal of the securities and costs associated with delay and enforcement of the securities lending agreement.

The risks arising from the use of repurchase agreements, reverse repurchase agreements and securities lending 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 repurchase agreements, reverse repurchase agreements and securities lending transactions will generally not have a material impact on the Company's or the relevant Sub-Fund's performance, the use of such techniques may have a significant effect, either negative or positive, on the Company's or the relevant Sub-Fund's NAV.

In respect of margin lending transactions, the Company and any of its Sub-Funds cannot extend credit and may only receive credit subject to the restrictions in the UCITS Directive and the Prospectus.

The Sub-Funds may potentially enter into SFTs with other companies in the same group of companies as the Investment Manager. Affiliated counterparties, if any, will perform their obligations under any SFTs concluded with a Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution principles. However, investors should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

#### 6.2.14 Concentration of Investments

Although it will be the policy of the Company to diversify its investment portfolio in accordance with the diversification requirements of the UCI Law and CSSF circulars, the Company may at certain times hold relatively few investments. The Company could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

#### 6.2.15 Effect of substantial withdrawals

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



#### 6.2.16 Political risks

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

#### 6.2.17 General economic conditions

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

#### 6.2.18 Investments in Exchange Traded Funds

An Exchange Traded Fund or ETF is an investment fund listed on a stock exchange which represents a pool of securities, commodities or currencies which typically track the performance of an index. Exchange Traded Funds (ETFs) are traded like shares. Investment in open-ended or closed-ended ETFs will be allowed if they qualify as (i) UCITS or other UCIs or (ii) transferable securities, respectively.

The Sub-Funds may invest part of their assets in units or shares of ETFs. Such investments are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that their investment objective will be achieved.

The price and movement of an ETF designed to track an index may not track the underlying index and may result in a loss.

In addition, ETFs traded on an exchange may trade at a price below their net asset value (also known as a discount).

In addition, there may be duplication of certain other fees and expenses such as management and advisory charges, Depositary fees, administration fees, auditors and legal fees and certain other administrative expenses.

#### 6.2.19 Investment in funds' risk

The performance of a Sub-Fund may be impacted by the performance of any investment fund held by it.

Such type of investment might as well be more costly to a Sub-Fund than if the Sub-Fund had invested in the underlying securities directly. Shareholders of the Sub-Fund will indirectly bear the fees and expenses of the underlying investment fund.

#### 6.2.20 Contingent convertible securities (CoCos)

The Company may invest in contingent securities structured as Contingent Convertible Securities also known as CoCos. A contingent convertible security is a hybrid debt security either convertible into equity at a predetermined share price, written down or written off in value based on the specific terms of the individual security if a pre-specified trigger event occurs. Contingent convertible securities are subject to the risks associated with bonds and equities, and to the risks specific to convertible securities in general. Contingent convertible securities are also subject to additional risks specific to their structure including:

##### Conversion risk

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

### Trigger level risk

Trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Adviser of the relevant Sub-Fund to anticipate the triggering events that would require the debt to convert into equity.

### Capital structure inversion risk

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

### Written down risk

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

### Yield/Valuation risk

The valuation of contingent convertible securities is influenced by many unpredictable factors such as:

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

### Liquidity risk

Convertible securities are subject to liquidity risk.

### Coupon cancellation risk

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

### Call extension risk

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

### Unknown risk

Convertible contingent securities are a newer form of instrument and the market and regulatory

environment for these instruments is still evolving. As a result it is uncertain how the overall market for contingent convertible securities would react to a trigger event or coupon suspension applicable to one issuer.

#### 6.2.21 Small Capitalisation Companies Risk

A Sub-Fund which invests in smaller companies may fluctuate in value more than other funds. The stock prices of smaller companies can perform differently than larger, more recognised, companies and have the potential to be more volatile. Smaller companies may offer greater opportunities for capital appreciation than larger companies but may also involve certain special risks. A lower degree of liquidity in their securities, a greater sensitivity to changes in economic conditions and interest rates, and uncertainty over future growth aspects may all contribute to such increased price volatility. Additionally, smaller companies may be unable to generate new funds for growth and development, may lack depth in management, and may be developing products in new and uncertain markets all of which are risks to consider when investing in such companies.

#### 6.2.22 High Yield debt securities Risk

A Sub-Fund which invests in high yield fixed-income securities carries higher credit risk (default risk and downgrade risk), liquidity risk and market risk than a Sub-Fund that invests in investment grade fixed-income securities.

Credit risk is greater for investments in high yield fixed-income securities than for investment grade securities. It is more likely that income or capital payments may not be made when due. The risk of default is greater. The amounts that may be recovered after any default may be smaller or zero and the Sub-Fund may incur additional expenses if it tries to recover its losses through bankruptcy or other similar proceedings.

Adverse economic events may have a greater impact on the prices of high yield fixed-income securities. Investors should therefore be prepared for greater volatility than for investment grade fixed income securities, with an increased risk of capital loss, but with the potential of higher returns.

The market liquidity for high yield securities can be low and there may be circumstances in which there is no liquidity for these securities, making it more difficult to value and/or sell these securities.

#### 6.2.23 Commodity Related Instruments

Investments which grant an exposure to commodities involve additional risks than those resulting from traditional investments and may subject a Sub-Fund to greater volatility. The value of commodity-linked investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. More specifically, political, military and natural events may influence the production and trading of commodities and, as a consequence, influence financial instruments which grant exposure to commodities; terrorism and other criminal activities may have an influence on the availability of commodities and therefore also negatively impact financial instruments which grant exposure to commodities.

#### 6.2.24 Integration of ESG factors and sustainability risks

##### Definition SFDR

The Sustainable Finance Disclosure Regulation (SFDR) is a 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.

## Definition sustainability risks

A “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 investment. If a sustainability risk associated with an investment materialises, it could lead to the loss in value of an investment.

## Definition principal adverse impacts

Article 7-1 SFDR states « 1. By 30 December 2022, for each financial product where a financial market participant applies point (a) of Article 4(1) or Article 4(3) or (4), the disclosures referred to in Article 6(3) shall include the following: (a) a clear and reasoned explanation of whether, and, if so, how a financial product considers principal adverse impacts on sustainability factors; (b) a statement that information on principal adverse impacts on sustainability factors is available in the information to be disclosed pursuant to Article 11(2) ».

Principal adverse impacts are described as impacts of investment decisions and advice that result in negative effects on sustainability factors.

HOMA CAPITAL has carefully evaluated the requirements of the PAI regime in Article 4 and 7 of SFDR, and in the draft Regulatory Technical Standards which were published in April 2020 (the “PAI regime”).

HOMA CAPITAL is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors, and the market, as to how financial market participants integrate consideration of the adverse impacts of their investment decisions on sustainability factors. However, taking account of the nature, the size and scale of our activities, we have elected to not comply with the regime at this time.

Finally, HOMA CAPITAL is also concerned about the lack of readily available data for all asset classes under management to comply with many of the technical reporting requirements of the PAI regime. Many enterprises do not currently track such data. Furthermore, given the large number of complex metrics set out in the technical reporting requirements of the PAI regime, we believe many small and medium sized enterprises are unlikely to be able to produce such data in a cost-effective manner.

It will keep its decision not to comply with the PAI regime under regular review and will re-evaluate the decision on a regular basis.

The Sub-fund YCAP Tactical Investment does promote environmental and social characteristics in its investment process within the meaning of article 8 of the SFDR Regulation (UE) 2088/2019. Additional information on ESG characteristics applicable to the Sub-Fund can be found in the pre-contractual disclosure contained in Appendix E of this Prospectus.”

Regarding the management of other mentioned subfunds, the investment processes not currently guided by environmental, social and/or governance (“ESG”) considerations.

HOMA CAPITAL does not consider sustainability risks or negative impacts of investment decisions on sustainability factors in its investment process. HOMA CAPITAL SA considers that the application of ESG criteria to its investment process narrows the investment universe and therefore excludes certain issuers, which leads the Management Company to ignore investment opportunities that offer attractive risk-adjusted return opportunities.

The Taxonomy Regulation (UE) 2020/852 imposes communication obligations. Except Ycap Tactical Investment, the various sub-funds of YCAP FUND are categorised in article 6 within the meaning of the SFDR Regulation. As such, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **7. FORM OF SHARES**

Shares may be issued in one or more Classes in each Sub-Fund by the Board of Directors; each Class having features or being offered to different types of investors, as more fully disclosed in Appendix C of the Prospectus for each Sub-Fund individually. The Board of Directors may however decide that no such Classes will be available in any of the Sub-Funds or alternatively that such Class may only be purchased upon prior approval of the Board of Directors as more fully disclosed in Appendix D of the Prospectus for each Sub-Fund.

All Shares are issued in un-certificated registered form (the share register of the Company is conclusive evidence of ownership).

The Shares may be held in a settlement system represented by a global note. In this case, the investors in Shares will directly or indirectly have their interests in the Shares credited by book-entry in the accounts of the settlement system.

The Company treats the registered owner of a Share as the absolute and beneficial owner thereof (with the exception that in case of subscription of Shares by a Distributor, acting as nominee, the investor who has invested in the Company via the Distributor is the absolute and beneficial owner of the Shares even if the Distributor is recorded in the register of shareholders as the owner of the Shares).

Shares are freely transferable (with the exception that Shares may not be transferred to a Prohibited Person or a US Person, as defined in Sub-Section 10.1 "Subscription Procedure") and may be converted for Shares of another Sub-Fund in accordance with the provisions of Section 12. Upon issue, Shares are entitled to participate equally in the profits and dividends of the Sub-Fund attributable to the relevant Class in which the Shares have been issued, as well as in the liquidation proceeds of such Sub-Fund.

Shares do not carry any preferential or pre-emptive rights and each Share, irrespective of the Class to which it belongs or its Net Asset Value, is entitled to one vote at all general meetings of shareholders. Fractions of Shares are not entitled to a vote, but are entitled to participate in the liquidation proceeds. Shares are issued without par value and must be fully paid for upon subscription.

Upon the death of a shareholder, the Board of Directors reserve the right to require the provision of appropriate legal documentation in order to verify the rights of all and any successors entitled to Shares.

## **8. ISSUE OF SHARES**

After the Initial Offer Period or the Initial Offer Day (which shall be described for each Sub-Fund in Appendix D of this Prospectus), the Offer Price per Share of each Class is EUR 100 or USD 100 per Share (depending on their respective unit currency).

The Company issues Shares in each Class of the separate Sub-Funds.

Shares may be issued in one or more Classes in each Sub-Fund by the Board of Directors; each Class having features or being offered to different types of investors, as more fully disclosed in Appendix D of the Prospectus for each Sub-Fund individually. The Board of Directors may however decide that no such Classes will be available in any of the Sub-Funds or alternatively that such Class may only be purchased upon prior approval of the Board of Directors as more fully disclosed in Appendix D of the Prospectus for each Sub-Fund individually.

The net proceeds from the subscriptions are invested in the specific portfolio of assets constituting the relevant Sub-Fund.

The Board of Directors shall maintain for each Sub-Fund a separate portfolio of assets. As between shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

The Company shall be considered as one single legal entity. With regard to third parties, in particular towards the Company's creditors, each Sub-Fund shall be exclusively responsible for all liabilities attributable to it.

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

The inscription of the shareholder's name in the register of Shares evidences his or her right of ownership of such registered Shares. A holder of registered Shares shall receive written confirmation of his or her shareholding.

All Shares must be fully paid-up; they are of no par value and carry no preferential or pre-emptive rights. Each Share of the Company of any Class to whatever Sub-Fund it belongs is entitled to one vote at any general meeting of shareholders, in compliance with Luxembourg law and the articles of incorporation of the Company.

Fractional Shares may be issued and such fractional Shares shall not be entitled to vote but shall be entitled to a participation in the net profits and in the proceeds of liquidation attributable to the relevant Class in the relevant Sub-Fund on a pro rata basis. The Company is entitled to receive any adjustment made upon the issue of fractional Shares.

The sales charge is specified for each Class within each Sub-Fund individually in Appendix D of the Prospectus.

The Company reserves the right to reject any application in whole or in part, in which case subscription price paid, or the balance thereof, as appropriate, will be returned to the applicant within seven (7) Business Days thereafter or to suspend at any time and without prior notice the issue of Shares in one, several or all of the Sub-Funds.

No Shares of any Sub-Fund will be issued during any period when the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the Company, as described under Sub-Section 17.2 "Temporary Suspension of Determination of Net Asset Value per Share". In the case of suspension of dealings in Shares the application will be dealt with on the first Valuation Day following the end of such suspension period.

The Board of Directors may decide that for a particular Sub-Fund no further Shares will be issued after the Initial Subscription Date or the Launch Date as further specified for the respective Sub-Fund in Appendix D.

## **9. CLASSES OF SHARES**

The Company may issue different Classes of Shares, as determined by the Board of Directors, which may differ *inter alia* in their fee structure, currency denomination, hedging policy, distribution policy applying to them and other features. Certain Classes of Shares are available only to the Management as such term is defined in Appendix C.

The Classes of Shares for each Sub-Fund are indicated in Appendix D.

The amounts invested in the various Classes of Shares of each Sub-Fund are themselves

invested in a common underlying portfolio of investments. The Board of Directors may decide to create further Classes of Shares with different characteristics, and in such cases, this Prospectus will be updated accordingly.

The Board of Directors may issue accumulation shares that do not pay dividends or distribution shares as further specified in Appendix C.

### **Hedged Share Classes:**

Any Sub-Fund can issue Classes of Shares in other currencies than the base currency of the Sub-Fund.

With respect to these Share Classes the Company has the ability to hedge the Shares of such Share Classes in relation to the Sub-Fund currency in accordance with the principles set by ESMA in its Opinion on UCITS' share classes dated 30 January 2017.

Such currency hedging transactions are not linked to the underlying currency exposures of the portfolio holdings.

In case a Share Class is hedged the Company will ensure that over-hedged positions do not exceed 105% of the portion of the net asset value of the Share Class and that under-hedged positions do not fall short of 95% of the portion of the net asset value of the Share Class.

Where hedging of this kind is undertaken, the Company may engage, for the exclusive account of such Share Class, in currency forward, currency futures, currency option transactions and currency swaps in order to preserve the value of the Share Class currency against the Sub-Fund currency.

All costs specifically associated with offering each hedged Share Class (such as currency hedging and foreign exchange costs) will be charged to that Share Class.

Note that Shareholders of hedged Share Classes could experience losses from currency exchange fluctuations to the extent that the Share Class's hedging is incomplete, and will give up any potential gains from currency exchange fluctuations to the extent that hedging is effective.

The performance of hedged share classes aims to be similar to the performance of equivalent Share Classes in Sub-Fund currency. There is no assurance however that the hedging strategies employed will be effective in delivering performance differentials that are reflective only of interest rate differences adjusted for fees. Where undertaken, the effects of this hedging will be reflected in the Net Asset Value per Share and, therefore, in the performance of such additional Share Class. Similarly, any expenses arising from such hedging transactions will be borne by the Share Class in relation to which they have been incurred. Collateral received in connection with currency hedging transactions (and in particular currency forward transactions) on behalf of currency hedged Share Classes, may be reinvested, in compliance with the applicable investment policy and restrictions of the Company. It should be noted that these hedging transactions may be entered into whether the Share Class currency is declining or increasing in value relative to the relevant Sub-Fund. Currency and so, where such hedging is undertaken it may substantially protect Investors in the relevant Share Class against a decrease in the value of the Sub-Fund currency relative to the Share Class currency, but it may also preclude Investors from benefiting from an increase in the value of the Sub-Fund currency.

There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Sub-Fund currency.

## 10. SUBSCRIPTION OF SHARES

### 10.1 Subscription Procedure

Subscription of Shares may be performed by means of a single payment as described below. Moreover, the Company may issue Shares as consideration for a contribution in kind of securities in compliance with the conditions set forth by Luxembourg law, in particular the obligation to obtain a valuation report from an auditor (*réviseur d'entreprises agréé*).

#### 10.1.1 Prohibited Persons

The Company may restrict or prevent the ownership of the Shares in the Company by any person, firm, partnership or corporate body, if in the sole opinion of the Company such holding may be detrimental to the interest of the existing shareholders or of the Company, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the Company may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred. Such persons, firms, partnership or corporate bodies shall be determined by the Board of Directors (the “**Prohibited Persons**”). As the Company is not registered under the United States Securities Act of 1933, as amended, nor has the Company been registered under the United States Investment Company Act of 1940, as amended, its Shares may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to citizens or residents thereof (hereinafter referred to as “**US Persons**”). Accordingly, the Company may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be a Prohibited Person or a US Person.

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

As soon as subscriptions are accepted, subscribers will be given an account number (the “**Account Number**”) on acceptance of their initial subscription, and this, together with the personal details, is proof of their identity to the Company. The Account Number should be used by the shareholder for all future dealings with the Company, correspondent bank or paying agent, the Central Administration and any Distributor appointed from time to time.

Any change to the shareholder's personal details and any loss of Account Number must be notified immediately either to the Central Administration in writing. Failure to do so may result in the delay of an application for redemption. The Company reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

Subscription instructions accompany this Prospectus and may also be obtained from the Central Administration or a Distributor.

#### 10.1.2 Payment

An investor's first subscription for Shares must be made in writing or by fax to the Central Administration in Luxembourg or to a Distributor as indicated on the subscription form (the “**Subscription Form**”). The initial application for subscription of Shares may be made by fax after completion of investor's identification and Money Laundering Prevention procedures by the Central Administration. In case of subscription by fax, the original of the Subscription Form must be provided thereafter to the Central Administration. The Company reserves the right to reject, in whole or in part, any subscription without giving any reason therefore.

Subsequent subscriptions for Shares may be made in writing or by fax to the Central



Administration. The Company reserves the right to reject, in whole or in part, any subscription without giving any reason therefore.

Joint subscribers must each sign the Subscription Form unless a power of attorney is provided which is acceptable to the Company. The unique Account Number should be used by the joint subscribers for all future dealings with the Company, correspondent bank or paying agent, the Central Administration and any Distributor appointed from time to time. Any change to the joint subscribers' personal details, the identity of the unique holder of the Account Number. Failure to do so may result in the delay of an application for redemption. The Company reserves the right to require an indemnity or other verification of title or claim to title countersigned by a bank, stockbroker or other party acceptable to it before accepting such changes.

The minimum initial investment and the minimum subsequent holding for each Class of Shares of each Sub-Fund are specified in Appendix D. The Board of Directors may, at its discretion, waive or modify such minimum limits.

Subscriptions for Shares in any Sub-Fund must be received by the Central Administration by 9 a.m. at the latest preceding the applicable Valuation Day (as defined in Section 17 "Net Asset Value") or the preceding Business Day if such a day is not a Business Day), except if another time is indicated for a particular Sub-Fund in Appendix D) (the "**Sub-Fund Subscription Deadline**"), and will be processed on the Net Asset Value of this Valuation Day based on the latest available prices in Luxembourg (as described in Section 17 "Net Asset Value").

Any subscriptions received by the Central Administration after this deadline will be processed on the next Valuation Day on the basis of the Net Asset Value per Shares determined on such Valuation Day.

Different time limits may apply if subscriptions for Shares are made through a Distributor. No Distributor is permitted to withhold subscription orders to personally benefit from a price change. Investors should note that they might be unable to purchase or redeem Shares through a Distributor on days that such Distributor is not open for business. For subsequent subscriptions only, investors subscribing via certain Distributors may be authorised to subscribe Shares via means of distance communication in accordance with applicable laws and regulations in the relevant countries of distribution. When the means of distance communication is through electronic mail or subscription platform available on the website of the Distributor, the initial subscription may be accepted under certain conditions. These subscription applications may be transmitted to the Central Administration in Luxembourg in writing. Investors subscribing for Shares and applying directly to the Central Administration in Luxembourg may not use these means of distance communications.

## 10.2 Payment Procedure

Payment for Shares must be received by the Depositary before the applicable Valuation Day (except if another payment procedure is indicated for a particular Sub-Fund in Appendix D).

The currency of payment of each Class will be the Reference Currency. Upon written instructions by the shareholder, the currency of payment for Shares may also be the Other Denomination Currency, only if available. A subscriber may not effect payment in any other currency and the Central Administration will not arrange for any currency transaction to convert the subscription monies from the currency of subscription (the "**Subscription Currency**") into the Reference Currency or the Other Denomination Currency (if available) of the relevant Sub-Fund. The currency transaction will not be effected with the Depositary. Each subscriber must effect the payment for Shares in the Reference Currency or the Other Denomination Currency (if available).

Subscriptions instructions accompany this Prospectus and may also be obtained from the

Central Administration or a Distributor.

If timely payment for Shares (as detailed under Sub-Section 10.1 “Subscription Procedure”) is not made (or a completed Subscription Form is not received for an initial subscription), the relevant issue of Shares may be cancelled, and a subscriber may be required to compensate the Company, the Depositary and/or any relevant Distributor for any loss incurred in relation to such cancellation.

### 10.3 Notification of Transaction

An acceptance of order will be sent to the subscriber (or his nominated agent if so requested by the subscriber) by fax or encrypted email as soon as reasonably practicable after the relevant Valuation Day, providing full details of the transaction. Subscribers should always check this statement to ensure that the transaction has been accurately recorded.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned within seven (7) Business Days to the subscriber by bank transfer at the subscriber’s risk without any interest.

### 10.4 Reject of Subscriptions

The Company may reject any subscription in whole or in part, in which case, the subscription monies or the balance outstanding will be returned within seven (7) Business Day to the subscriber by bank transfer at the subscriber’s risk without any interest and the Board of Directors may, at any time and from time to time and in its absolute discretion without liability and without notice, discontinue the issue and sale of Shares of any Class in any one or more Sub-Funds.

### 10.5 Money Laundering Prevention

Pursuant to the Luxembourg law of November 12, 2004 relating to the fight against money-laundering and the financing of terrorism, as amended and the circulars of the CSSF, obligations have been imposed *inter alia* on UCI as well as on professionals of the financial sector to prevent the use of UCI for money laundering purposes. Within this context, a procedure for the identification of investors has been imposed. Namely, the Subscription Form of an investor must be accompanied, in the case of individuals, by a certified copy of the subscriber’s passport or identification card and, in case of legal entities, by a certified copy of the subscriber’s articles of incorporation and, where applicable, an extract from Register of Commerce and Companies or a copy of such other documents as may be accepted in the relevant country of the Financial Action Task Force (*Groupe d’Action Financière* (the “**GAFI**”)) as verification of the identity and address of the individual or legal entity in accordance with applicable GAFI rules.

This identification procedure must be complied with by the Central Administration (or the relevant competent agent of the Central Administration) in the case of direct subscriptions to the Company, and in the case of subscriptions received by the Company from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg laws for the prevention of money-laundering.

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

Shareholders may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under Luxembourg law.

It is generally accepted that professionals of the financial sector resident in a country that has ratified the conclusions of the GAFI are deemed to be intermediaries having an identification obligation equivalent to that required under Luxembourg law.

The Central Administration may request any such additional documents, as it deems necessary to establish the identity of investors or beneficial owners.

Any information provided to the Company in this context is collected for anti-money laundering purposes only.

## 11. REDEMPTION OF SHARES

### 11.1 Procedure for Redemption

Each shareholder of the Company may at any time request the Company to redeem on the specific Valuation Day specified for each Class within each Sub-Fund in Appendix D of the Prospectus all or any of the Shares held by such shareholder in any Class within each of the Sub-Funds.

Shareholders wishing to have all or some of their Shares redeemed by the Company may apply to do so by fax or by letter to the Central Administration or to a Distributor.

The application for redemption must include:

- The number of Shares the shareholder wish to redeem; and
- The Class and Sub-Funds from which such Shares are to be redeemed.

All necessary documents to complete the redemption should be enclosed with such application.

In addition, the application for redemption must include the shareholder's registered name together with the Account Number. Failure to provide any of the aforementioned information may result in delay of such application for redemption whilst verification is being sought from the shareholder.

Applications for redemption must be duly signed by all registered shareholders, save in the case of joint registered shareholders where an acceptable power of attorney has been provided to the Company.

Shareholders whose applications for redemption are accepted will have their Shares redeemed on any Valuation Day provided that the applications have been received in Luxembourg at a time defined in Appendix D of the Prospectus for each Class within each Sub-Fund.

Shares will be redeemed at a price equal to the Net Asset Value per Share of the relevant Class within the relevant Sub-Fund less a redemption charge and/or a dilution levy, the rate of which (if any) is indicated in Appendix D of the Prospectus (the "**Redemption Price**").

Different time limits may apply if the application for redemption is made to a Distributor. In such cases, the Distributor will inform the shareholder concerned of the redemption procedure relevant thereto, together with any time limit by which the application for redemption must be received. No Distributor is permitted to withhold redemption orders received to personally benefit from price change. Shareholders should note that they might be unable to redeem Shares through a Distributor on days that such Distributor is not open for business. Investors applying for redemption via means of distance communication in accordance with applicable

laws and regulations in the relevant countries of distribution. These redemption applications may be transmitted to the Central Administration in Luxembourg in writing. Investors applying for redemption of Shares directly to the Central Administration in Luxembourg may not use these means of distance communication.

#### 11.2 Payment Procedures

The payment of the Redemption Price shall be made within a period as defined in Appendix D of the Prospectus for each Class within each Sub-Fund, provided that all the documents necessary to the redemption have been received by the Company and unless legal constraints, such as restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted.

Payment will be made by bank transfer order to the registered shareholder's account, at such shareholder's expense and at the shareholder's risk.

The Redemption Price will be paid in the Reference Currency of the relevant Class, if any, or in the Reference Currency of the relevant Sub-Fund. The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase.

A redemption fee may be charged.

The Company shall have the right, if the Board of Directors so determines, to satisfy payment of the Redemption Price to any shareholder who agrees, in specie by allocating to the holder investments from the portfolio of assets set up in connection with such Sub-Fund equal in value (calculated in the manner described in Section 17) as of the Valuation Day, on which the Redemption Price is calculated, to the value of the Shares to be redeemed.

The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares and the valuation used shall be confirmed by a special report of the Auditor of the Company. The costs of any such transfers shall be borne by the transferee.

#### 11.3 Notification of Transaction

An acceptance of order, contract note and statement will be sent by fax or encrypted email to the shareholder detailing the redemption proceeds due hereto as soon as reasonably practicable after determination of the Redemption Price of the Shares being redeemed. Shareholders should check this statement to ensure that the transaction has been accurately recorded. The redemption proceeds will be net of any applicable Redemption Commission. In calculating the redemption proceeds, the Company will round down to two decimals places, the Company being entitled to receive the adjustment.

#### 11.4 Limits of Redemption

Shares in any Sub-Fund will not be redeemed if the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the Company in accordance with Section 17.

If, as a result of any request for redemption, the aggregate Net Asset Value of the Shares held by any shareholder in a Sub-Fund/Class would fall below the minimum holding requirement specified in Appendix D of the Prospectus for each Sub-Fund/Class, the Company may treat such request as a request to redeem the entire shareholding of such shareholder in such Sub-Fund/Class. At the Company's discretion, the Company reserves the right to transfer any existing shareholder who falls below the minimum holding requirement for one Class of Shares into another appropriate Class of Shares without charge.

Furthermore, if on any Valuation Day redemption requests pursuant to Section 11 relate to more than 10% of the Shares in issue in a specific Sub-Fund, the Board of Directors may decide that part or all of such requests for redemption will be deferred proportionally for such period as the Board of Directors considers to be in the best interests of the Sub-Fund. On the next Valuation Day following such period, these redemption requests will be met on a pro-rata basis in priority to later requests and in compliance with the principle of equal treatment of shareholders.

#### 11.5 Compulsory Redemption

If the Company discovers at any time that Shares are owned by a Prohibited Person, either alone or in conjunction with any other person, whether directly or indirectly, the Board of Directors may at its discretion and without liability, compulsorily redeem the Shares at the Redemption Price as described above after giving notice of at least ten (10) days, and upon redemption, the Prohibited Person will cease to be the owner of those Shares. The Company may require any shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person.

### **12. CONVERSION OF SHARES INTO SHARES OF A DIFFERENT SUB-FUND OR SHARES OF ANOTHER CLASS**

#### 12.1 Conversion procedure

Shareholders have the right, subject to the provisions hereinafter specified and subject to any limitations set out in relation to one or more Sub-Funds in Appendix D of the Prospectus, to convert on the Valuation Day specified for each Sub-Fund in Appendix D of the Prospectus, Shares from one Class within one Sub-Fund for Shares of another Sub-Fund and/or Shares of another Class. The rate at which Shares of any Class in any Sub-Fund shall be converted will be determined by reference to the respective Net Asset Values of the relevant Shares calculated as of the same specific Valuation Day following receipt of the documents referred to below by a time defined in Appendix D of the Prospectus for each Class individually in each Sub-Fund.

A conversion fee may be charged. Such conversion fee shall not exceed the difference between the respective maximum sales charges for the subscription of shares of the two Sub-Funds or Classes concerned.

A conversion of Shares of one Sub-Fund or Class for Shares of another Sub-Fund or Class will be treated as redemption of Shares and a simultaneous purchase of Shares. A converting shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the shareholder's citizenship, residence or domicile.

All terms and notices regarding the redemption of Shares shall equally apply to the conversion of Shares.

No conversion of Shares will be effected until a duly completed conversion request form or other written notification acceptable to the Central Administration have been received at the registered office of the Central Administration.

Upon conversion, Shares will be issued to five decimal places.

#### 12.2 Notification of Transaction

Following such conversion of Shares a written confirmation of shareholding will be sent to shareholders as soon as practicable.

### 12.3 Limits of Conversion

In converting Shares of a Sub-Fund or Class for Shares of another Sub-Fund or Class, a shareholder must meet applicable minimum investment requirements, if any, imposed by the acquired Sub-Fund in the relevant Class.

If, as a result of any request for conversion, the aggregate Net Asset Value of the Shares held by the converting shareholder in a Class of Shares/Sub-Fund falls below the minimum holding requirement indicated in Appendix D of the Prospectus, the Company may treat such request as a request to convert the entire shareholding of such shareholder in such Class/Sub-Fund. At the Company's discretion, the Company reserves the right to transfer any existing shareholder who falls below the minimum shareholding requirement for a Class of Shares into another appropriate Class of Shares without charge.

Shares of any Class, if any, in any Sub-Fund will not be converted in circumstances where the calculation of the Net Asset Value per Share of such Sub-Fund is suspended by the Company pursuant to Section 13.

## 13. TEMPORARY SUSPENSION OF SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS

No Shares will be issued by the Company and the right of any shareholder to require the redemption or conversion of its Shares of the Company will be suspended during any period in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended by the Company pursuant to the powers contained in its articles of incorporation and in Sub-Section 17.2 "Suspension of the calculation of the Net Asset Value".

Notice of suspension will be given to subscribers and to any shareholder tendering Shares for redemption or conversion. Withdrawal of a subscription or of an application for redemption or conversion will only be effective if written notification by letter or by fax is received by the Central Administration before termination of the period of suspension, failing which subscription, redemption and conversion applications not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined on such Valuation Day.

## 14. LATE TRADING AND MARKET TIMING

### 14.1 Late Trading

The Company determines the price of its Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be bought or sold (exclusive of any subscription or redemption commission).

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

The Company considers that the practice of late trading is not acceptable as it violates the provisions of the Prospectus which provide that an order received after the cut-off time is dealt with at a price based on the next applicable Net Asset Value. As a result, subscriptions, conversions and redemptions of Shares shall be dealt with at an unknown Net Asset Value.

The cut-off time for subscriptions, conversions and redemptions is set out in Appendix B of this Prospectus.

## 14.2 Market Timing

Market timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment 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 of the undertaking for collective investment.

The Company considers that the practice of market timing is not acceptable as it may affect the Company's performance through an increase of the costs and/or entail a dilution of the profit. As a result, the Company reserves the right to refuse any application for subscription, redemption or conversion of Shares which might or appears to be related to market timing practices and to take any appropriate measures in order to protect investors against such practice.

## 15. DILUTION LEVY

Each Sub-Fund may suffer dilution (reduction) in the value of its property as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of these investments. It is not, however, possible to predict accurately whether dilution will occur at any point in time. In order to counter this, the Board of Directors have decided that its policy on dilution is that it may require the payment of a dilution levy.

In cases where a dilution levy is made the value of the capital of the property of a Sub-Fund will not be adversely affected by dilution. If charged, the dilution levy will be shown in addition to (but not part of) the price of Shares on their issue and as a deduction to the price of their Shares on their redemption. The Board of Directors have no entitlement to the dilution levy, which will either be paid into the relevant Sub-Fund, in the case of an issue of Shares or retained in the Sub-Fund in the case of redemption of Shares.

The need to charge a dilution levy will depend on the volume of net purchases or redemptions, as described below. The Board of Directors may charge a discretionary dilution levy on any purchase or redemption of Shares if, in their opinion, the existing Shareholders (for purchases) or continuing Shareholders (for redemptions) might otherwise materially be adversely affected. A dilution levy must be imposed only in a manner that so far as practicable, is fair to all Shareholders or potential Shareholders. In particular, the dilution levy may be charged in the following circumstances:

- (A) on a Sub-Fund experiencing large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- (B) on a Sub-Fund experiencing large levels of net redemptions (i.e. redemptions less purchases) relative to its size;
- (C) on "large deals". For these purposes, a large deal is defined as a purchase or redemption in excess of 10% of the net assets of a Sub-Fund;
- (D) in any other case where the Board of Directors are of the opinion that the interests of existing/continuing Shareholders and potential Shareholders require the imposition of a dilution levy.

In order to reduce inconsistency in the application of any dilution levy, the Board of Directors may take account of the trend of the Sub-Fund in question to expand or to contract; and the transactions in Shares at a particular Valuation Day.

## **16. FEES, EXPENSES AND COMMISSIONS**

### **16.1. Fees and Expenses**

The Company shall pay out of the assets attributable to each Class of Shares of each Sub-Fund, except if otherwise provided for specific Share Classes of specific Sub-Funds in Appendix D of the Prospectus, all expenses payable by the Sub-Fund, which shall include but not be limited to formation expenses, fees payable to its Management Company, fees and expenses payable to its accountants, Investment Manager if any, Central Administration, Depositary, its correspondents, its listing agent, any paying agent and permanent representatives in places of registration, as well as any other agent employed by the Company, the remuneration of the Directors of the Board of Directors, their insurance coverage, and reasonable travelling costs and out of pocket expenses in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing Prospectuses, explanatory memoranda, periodical reports or registration statements, translation costs of any document as necessary for the benefit of the Shareholders and the costs of any reports to shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

It may be specified in Appendix D of the Prospectus that certain Share Classes will only bear, on a pro-rata basis, the fees payable to the Management Company of the Company; other aforementioned charges and expenses attributable to such a Class of Share shall then be paid by the Management Company out of its Management Fee.

#### **16.1.1. Formation and Launching fees and expenses**

The costs and expenses incurred in connection with the formation of the Company and the initial issue of Shares, including those incurred in the preparation and publication of the Prospectus, all legal and printing costs, certain launch expenses (including advertising costs) and preliminary expenses are estimated not to exceed EUR 100,000. They are being written off over a period not exceeding five (5) years from the formation of the Company and in such amounts in each year and in each Sub-Fund as determined by the Board of Directors on an equitable basis.

#### **16.1.2. Formation and launching fees and expenses of additional Sub-Funds**

Charges relating to the creation of a new Sub-Fund shall be written off over a period not exceeding five (5) years against the assets of that Sub-Fund and in such amounts in each year as determined by the Board of Directors on an equitable basis. The newly created Sub-Fund shall not bear a pro rata share of the costs and expenses incurred in connection with the formation of the Company and the initial issue of Shares, which have not already been written off at the time of the creation of the new Sub-Fund.



### 16.1.3. Fees of the Management Company, the Distributors and the Depositary

The Company pays for the various Sub-Funds a fee to the Management Company as follows:

- A) A management fee (the “**Management Fee**”) by Class of Shares, as described in Appendix D. The Management Fee is calculated and accrued on each Valuation Day based on the maximum percentage per year of the average net assets attributable to the type of shares during the relevant period and is payable quarterly in arrears; out of the Management Fee, the Management Company will pay the Investment Manager(s);
- B) A performance fee (the “**Performance Fee**”) in relation to the Sub-Fund, as indicated in Appendix D specified in the relevant Sub-Fund particular.

The Management Company will pay, out of its fees, the Distributors which may relocate a portion of their fees to sub-distributors, dealers, other intermediaries or entities, with whom they have a distribution agreement.

The Distributors may also, on a negotiated basis, enter into private arrangements (so called “co-operation agreements”) with the Management Company being a party to such agreements) with a sub-distributor, dealer, other intermediary or entity, under which the Distributors are authorized to make payments to or for the benefit of a rebate on all or part of the fees paid to them by the Management Company.

Unless otherwise provided in Appendix D for a specific Sub-Fund, the Depositary is entitled to receive fees out of the assets of the Company, pursuant to the Agreement and in accordance with usual market practice. The fees payable to the Depositary (excluding sub-custodian fees, if any) will not exceed 2% p.a. of the respective Sub-Fund’s average net assets and will be paid quarterly in arrears.

## 16.2. Commissions

### 16.2.1. Subscription Commissions

The subscription price (the “**Subscription Price**”) of each Class of Shares of each Sub-Fund on the Launch Date or during the Initial Subscription Period will be equal to the Initial Price (as set out in Appendix D), plus a subscription commission (the “**Subscription Commission**”) of up to 2 % maximum of the Initial Price in favour of any Distributor. Thereafter, the Subscription Price of each Class of Shares of each Sub-Fund will be equal to the Net Asset Value per Share, plus any applicable Subscription Commission of up to 2 % maximum of the Net Asset Value per Share in favour of any Distributor. The balance of the subscription payment, after deduction of the applicable Subscription Commission, will be applied to the purchase of Shares.

Any taxes, commissions and other fees incurred in the respective countries in which the Company Shares are sold will also be charged to the shareholders.

As of today, the Company does not charge any subscription, redemption or conversion commissions.

### 16.2.2. Redemption Commissions

A redemption commission (the “**Redemption Commission**”) of up to 0.5 % maximum of the Net Asset Value per Share of Shares to be redeemed will be applied for the redemption of the Shares by the Company.

### 16.2.3. Conversion Commissions

A conversion commission (the "Conversion Commission") of up to 2 % maximum of the Net Asset Value per Share of Shares to be converted will be applied for the conversion of the Shares of the Company.

## 17. NET ASSET VALUE

### 17.1. Calculation and publication of the Net Asset Value

The Net Asset Value per Share of each Class of Shares in each Sub-Fund shall be determined on each valuation day (a "**Valuation Day**"), being any Luxembourg business day (a "**Business Day**"), which is a full working day in Luxembourg during which the banks are open for business (**except if another frequency for the valuation is indicated for a particular Sub-Fund in Appendix D**).

The calculation of the Net Asset Value per Share of each Class within each Sub-Fund will be carried out by the Central Administration of the Company, subject to the supervision of the Board of Directors, in accordance with the requirements of this Section 17.

The Net Asset Value per Share of each Class within each Sub-Fund shall be expressed in the Reference Currency of each Class within each Sub-Fund to the nearest five decimal places, and shall be determined for each Sub-Fund on the relevant Valuation Day, by dividing the net assets of the Company attributable to Shares in such Class within such Sub-Fund being the value of the portion of assets less the portion of liabilities attributable to such Class within such Sub-Fund, on any such Valuation Day, by the number of Shares of the relevant Class within the relevant Sub-Fund then outstanding, in accordance with the valuation rules set forth below.

If since the time of determination of the Net Asset Value there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Class within the relevant Sub-Fund are dealt in or quoted, the Company may, in order to safeguard the interests of the shareholders and the Company, cancel the first valuation and carry out a second valuation for all applications received on the relevant Valuation Day.

The value of such assets is determined by the Central Administration as follows:

- (a) the value of any cash on hand or in deposit, bills, demand notes and accounts receivables, prepaid expenses, dividends and interests matured but not yet received shall be valued at the par-value of the assets except however if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors, the value shall be determined by deducting a certain amount to reflect the true value of these assets;
- (b) The value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets.
- (c) The value of assets dealt in on any other Regulated Market is based on the last available price.
- (d) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant

to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

- (e) The liquidating value of options contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.
- (f) The value of Money Market Instruments not listed or dealt in on any stock exchange or any other Regulated Market and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of ninety (90) days or less will be valued by the amortised cost method, which approximates market value.
- (g) Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve.
- (h) Units or Shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors on a fair and equitable basis. Units or Shares of a closed-ended UCI will be valued at their last available stock market value.
- (i) All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors or a committee appointed to that effect by the Board of Directors.

The value of all assets and liabilities not expressed in the Reference Currency of a Class or Sub-Fund will be converted into the Reference Currency of such Class or Sub-Fund at the rate of exchange determined at the relevant Valuation Day in good faith by or under procedures established by the Board of Directors.

To the extent that the Board of Directors considers that it is in the best interests of the Company, given the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders in relation to the size of any Sub-Fund, an adjustment, as determined by the Board of Directors at their discretion, may be reflected in the Net Asset Value of the Sub-Fund for such sum as may represent the percentage estimate of costs and expenses which may be incurred by the relevant Sub-Fund under such conditions.

The Net Asset Value per Share and the issue, redemption and conversion prices per Share of each Class within each Sub-Fund may be obtained during business hours at the Registered Office of the Company.

## 17.2. Temporary Suspension of the Calculation of the Net Asset Value

The Company may temporarily suspend the determination of the Net Asset Value per Share of any Class or Sub-Fund and the issue and redemption of its Shares from its shareholders as well as the conversion from and to Shares of each Class or Sub-Fund during:

- (a) any period when the principal Stock Exchanges on which a substantial proportion of the investments of the Company attributable to such Sub-Fund are quoted are closed otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended; or
- (b) the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Company attributable to such Sub-Fund would be impractical; or
- (c) any breakdown in the means of communication normally employed in determining the price or value of any of the investments attributable to any particular Sub-Fund or the currency price or values on any such stock exchange; or
- (d) any moment when for other reason the prices of any investments owned by the Company attributable to any Sub-Fund cannot promptly or accurately be ascertained
- (e) any period when the Company is unable to repatriate Sub-Funds for the purpose of making repayments due on the redemption of such Shares or during which any transfer of Sub-Funds involved in the realisation or acquisition of investments or payments due on the redemption of such Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange; or
- (f) following a possible decision to liquidate or dissolve the Company or one or several Classes or Sub-Funds.

The suspension of any Class or Sub-Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Class or Sub-Fund, if the assets within such other Class or Sub-Fund are not affected to the same extent by the same circumstances.

Any request for subscription, redemption or conversion shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value.

Notice of the beginning and of the end of any period of suspension will, if so decided by the Board of Directors, be published in a Luxembourg daily newspaper and in any other newspaper(s) selected by the Board of Directors, as well as in the official publications specified for the respective countries in which the Company Shares are sold. The Luxembourg regulatory authority, and the relevant authorities of any member states of the European Union in which Shares of the Company are marketed, will be informed of any such suspension. Notice will be given to any subscriber or shareholder as the case may be applying for subscription, conversion or redemption of Shares in the Sub-Fund(s) concerned.

## 18. TAXATION – APPLICABLE LAW

### 18.1. Taxation of Company

At the date of this Prospectus, the Company is not liable to any Luxembourg tax on profits or income. The Company is, however, liable in Luxembourg to a *taxe d'abonnement* of 0.05 % per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value

of the aggregate Net Asset Value of the Sub-Funds at the end of the relevant calendar quarter. No such tax is payable on the value of assets which consist of units or shares of other Luxembourg funds that have already been subject to such tax.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

A reduced *taxe d'abonnement* rate of 0.01% per annum or an exemption of the *taxe d'abonnement* will be applicable to certain Classes of Shares reserved to Institutional Investors within the meaning of article 174 (2) c) of the UCITS Law as well as to certain Sub-Funds investing exclusively in money market instruments.

The Company is liable to an initial capital tax of EUR 1,250 that was paid upon incorporation.

Investments income from dividends and interest received by the Company may be subject to withholding taxes at varying rates. Such withholding taxes are not usually recoverable. The Sub-Fund may be subject to certain other foreign taxes.

In addition, the Company may be liable to certain taxes in countries where the Company carries out its investment activities. Those taxes are not recoverable by the Company in Luxembourg.

## 18.2. Taxation of Shareholders

Subject to the provisions of Section 18.3 below, shareholders are not subject to any capital gains, income or withholding tax in Luxembourg (exceptions may apply to (i) shareholders who are domiciled, resident or have a permanent establishment in Luxembourg, (ii) non-residents of Luxembourg who hold more than 10% of the Shares of the Company and who dispose of all or part of their holdings within six (6) months from the date of acquisition or (iii) in some limited cases, some former residents of Luxembourg who hold more than 10% of the Shares of the Company).

It is expected that shareholders in the Company will be resident for tax purposes in many different countries. Consequently, no attempt is made in the Prospectus to summarise the taxation consequences for each investor of subscribing, converting, holding or redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a shareholder's country of citizenship, residence, domicile and/or incorporation and with his personal circumstances. However, shareholders who are resident in countries where the Company's shares are publicly offered are informed about these consequences in country-specific supplements.

Investors should inform themselves of, and when appropriate consult their professional advisors on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

### 18.2.1 EU TAX considerations - Exchange of information

Under certain conditions, Shareholders may be subject to withholding tax. The Luxembourg law of June 21, 2005, entered into force on July 1, 2005, has implemented Council Directive 2003/48/CE on taxation of savings income in the form of interest payments (the "EU Savings Directive"). This law has introduced a withholding tax system on savings income in the form of interest payments for beneficial owners, who are individual residents in an EU Member State other than Luxembourg.

Pursuant to this law, the applicable rate of withholding tax will be 35%. No withholding tax will apply if the beneficial owner expressly authorised the Paying Agent to communicate information to the tax authority of its resident state.

On November 10, 2015 the European Council adopted Council Directive (EU) 2015/2060 repealing the EU Savings Directive with effect as of 1 January 2017 for Austria and 1 January 2016 for all other EU Member States to among others prevent the overlapping of the EU Savings Directive and the automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). In addition, as a result of the repeal of the EU Savings Directive, the Council Directive 2014/48/EU amending the EU Savings Directive no longer has to be transposed into national law.

Under the law of 18 December 2015 implementing the EU Council Directive 2014/107/UE on administrative cooperation in the field of direct taxation (the “DAC Directive”) and the OECD Common Reporting Standard (the “CRS”) (the “DAC Law”), since 1 January 2016, except for Austria which will benefit from a transitional period until January 1st 2017, the financial institutions of an EU Member State or a jurisdiction participating to the CRS are required to provide to the fiscal authorities of other EU Member States and jurisdictions participating to the CRS details of payments of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances held on reportable accounts, as defined in the DAC Directive and the CRS, of account holders residents of, or established in, an EU Member State and certain dependent and associated territories of EU Member States or in a jurisdiction which has introduced the CRS in its domestic law.

Payment of interest and other income derived from the Shares will fall into the scope of the DAC Directive and the CRS and are therefore be subject to reporting obligations.

The foregoing is only a summary based on the current interpretation of the said legal texts and does not purport to be complete in all aspects. It does not constitute investment or tax advice.

Prospective investors should consult their own tax advisor with respect to the application of the DAC Directive and the CRS to such investor in light of such investors' individual circumstances. Investors are further invited to request information regarding applicable laws and regulations (i.e. any particular tax aspects or exchange regulations) of the countries of which they are citizens, or in which they are domiciled or resident and which may concern the subscription, purchase, holding and redemption of the Shares.

### 18.3 Rules applicable to Sub-Funds

In the context of the Luxembourg funds, the Law qualifies as interest (i) income distributed by the Sub-Funds or (ii) income realised upon the redemption, sale or refund of Shares.

The impact of the EU Savings Directive on income from distribution and redemption, sale or refund arising from Shares depends on two basic principles: (i) the asset test and (ii) the look-through principle.

The asset test provides that: (i) if a Sub-Fund invests 15% or less of its assets in debt claims, distribution and profits on redemption, sale or refund arising from Shares are out of the scope of the withholding tax (*de minimis rule*), (ii) if a Sub-Fund invests more than 15% and up to 40% of its assets in debt claims, distributions fall within the scope of the withholding tax (but not the redemption, sale or refund of Shares) and (iii) if a Sub-Fund invests more than 40% of its assets in debt claims, the profits realised upon distribution and redemption, sale or refund fall within the scope of the withholding tax. According to the Law, the asset test can be

determined by reference to the investment policy of a given Sub-Fund and, failing which, by reference to the actual composition of its assets.

Following the look-through principle; when a given Sub-Fund falls within the ambit of the EU Savings Directive according to the asset test (see above), the withholding tax should be levied on the portion of the distribution or profit from the redemption, sale or refund deriving from the accumulated interest received by each Sub-Fund. When a paying agent has no information concerning the proportion of income, which derives from interest payments, the total amount of the income shall be considered as interest payment.

Prospective investors should inform themselves of, and whether appropriate take advice on the laws and regulations in particular those relating to taxation (but also those relating to foreign exchange controls and being Prohibited Persons) applicable to the subscription; purchase, holding conversion and redemption of Shares in the country of their citizenship, residence or domicile and their current tax situation (in particular with regard to the EU Savings Directive) and the current tax status of the Company in Luxembourg.

#### 18.4 Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") is part of the Hiring Incentives to Restore Employment Act enacted on 18 March 2010 by the Congress of the United States of America ("USA"). The aim of FATCA is to avoid tax evasion of US persons and to encourage international tax cooperation between the USA and other countries. FATCA provisions impose on financial institutions outside USA ("Foreign Financial Institutions" or "FFI") to provide the US Internal Revenue Service ("IRS") with reporting containing information about financial accounts held directly or indirectly by US Persons outside the USA. Failure to provide the requested information could lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends.

In order to facilitate the transposition of the FATCA provisions, the governments of the Grand-Duchy of Luxembourg and USA entered into an intergovernmental agreement ("IGA") on 28 March, 2014 and a memorandum of understanding in respect thereof. The IGA was transposed into Luxembourg law on 24 July 2015 (the "FATCA Law"). The Company intends to comply with the provisions of FATCA and notably the IGA, FATCA Law and related regulations and circulars. According to the IGA and the FATCA Law, the Company shall collect information for the identification of its direct and indirect Shareholders that are US persons and shall report specific information in relation to their accounts to the Luxembourg tax authorities ("Administration des Contributions Directes"). The Luxembourg tax authorities will then exchange this specific information on reportable accounts on an automatic basis with the IRS.

To ensure compliance with FATCA, the IGA and the FATCA Law in accordance with the foregoing, the Company shall have the right to:

- Request from the Shareholder or beneficial owner of the Shares to promptly furnish information or documentation, including but not limited to W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- Report to the Luxembourg tax authorities ("Administration des Contributions Directes") (i) information concerning a Shareholder or beneficial owner of the Shares and his account holding in the Company if such account is deemed a US reportable account under the IGA and the FATCA Law and/or (ii) information concerning payments to account holders with FATCA status of non-participating FFI, as the case may be;

- Deduct from the payment of any dividend or redemption proceeds to a Shareholder by or on behalf of the Company, a withholding tax in accordance with FATCA, the IGA and the FATCA Law.

In addition the Company will comply with the IGA and Luxembourg laws, regulations and circulars implementing FATCA provisions as a “Reporting Luxembourg Financial Institution” (as such term is defined under the IGA) and that it may register and certify compliance with FATCA with obtaining a GIIN (“Global Intermediary Identification Number”). From this point the Company will furthermore only deal with professional financial intermediaries which are FATCA compliant.

The Company communicates to the Shareholder that (i) the Company is responsible for the treatment of the personal data provided for in the FATCA Law; (ii) the personal data will only be used for the purposes of the FATCA Law; (iii) the personal data may be communicated to the Luxembourg tax authorities; (iv) responding to FATCA-related questions is mandatory and accordingly the potential consequences in case of no response; and (v) the Shareholder has a right of access to and rectification of the data communicated to the Luxembourg tax authorities.

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

Shareholders should consult their own tax advisors regarding the FATCA requirements with respect to their own situation. In particular, Shareholders who hold their shares through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer US withholding tax on their investment returns.

### 18.5 Applicable Law

The Luxembourg District Court is the place of performance for all legal disputes between the shareholders and the Company. Luxembourg law applies. The English version of this Prospectus is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

Statements made in this Prospectus are based on the laws and practice in force at the date of this Prospectus in the Grand Duchy of Luxembourg, and are subject to changes in those laws and practice.

## 19. GENERAL MEETINGS AND REPORTS

### 19.1. General Meetings

The annual general meeting shall be held in accordance with Luxembourg law at the registered office of the Company, or at such other place in the municipality of its registered office as may be specified in the notice of the meeting, on the last Tuesday in the month of April at 12.00 p.m. each year and for the first time in 2014. If such day is a legal or a bank holiday in Luxembourg, the annual general meeting shall be held on the next following business day. The annual general meeting may be held abroad if, in the absolute and final judgment of the board of directors, exceptional circumstances so require.

Other general meetings of shareholders may be held at such place and time as may be specified in the respective notices of meeting.

The quorum and notice periods required by law shall govern the notice for, and conduct of, the meetings of shareholders of the Company, unless otherwise provided for in the articles of incorporation. Shareholders will meet upon call by the board of the directors or its chairman pursuant to a notice setting forth the agenda.



Notices of all general meetings are sent by mail to all registered shareholders at their registered address at least eight (8) days prior to such meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at such meetings. To the extent required by Luxembourg law, further notices will be published in the *RESA* and in one Luxembourg newspaper.

If all the shareholders of the Company are present or represented at a meeting of the shareholders of the Company, and consider themselves as being duly convened and informed of the agenda of the meeting, the meeting may be held without prior notice.

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

## 19.2. Annual and Semi-Annual Reports

Audited Annual Reports and un-audited Semi-Annual Reports will be sent to the shareholders and will be made available for public inspection at each of the registered offices of the Company, the Central Administration and any Distributor respectively. The latest Annual Report shall be available for inspection at least fifteen (15) days before the annual general meeting. The Company's financial year ends on 31 December of each year.

The first reports of the Company will be an audited report as of December 31, 2013 and an un-audited report as of June 30, 2013.

The consolidation currency of the Company is the Euro ("EUR").

## 20. LIQUIDATION - TERMINATION AND AMALGAMATION OF SUB-FUNDS

### 20.1. Dissolution and Liquidation of the Company

The Company may at any time be dissolved by a resolution of the general meeting of shareholders subject to the quorum and majority requirements as defined in the articles of incorporation of the Company.

Whenever the capital falls below two-thirds of the minimum capital as provided in the UCI Law, the Board of Directors must submit the question of the dissolution of the Company to the general meeting of shareholders. The general meeting, for which no quorum shall be required, shall decide by simple majority of the Shares present and represented at the meeting.

The question of the dissolution of the Company shall also be referred to a general meeting of shareholders whenever the capital falls below one quarter of the minimum capital. In such event, the general meeting shall be held without quorum requirement, and the dissolution may be decided by the shareholders holding one quarter of the Shares present and represented at that meeting.

The meeting must be convened so that it is held within a period of forty (40) days from the date that the net assets of the Company have fallen below two thirds or one quarter of the legal minimum, as the case may be.

The issue of new Shares by the Company shall cease on the date of publication of the notice of the general meeting of shareholders, to which the dissolution and liquidation of the Company shall be proposed. One or more liquidators shall be appointed by the general meeting of shareholders to realise the assets of the Company, subject to the supervision of the relevant supervisory authority in the best interests of the shareholders. The proceeds of the liquidation of each Sub-Fund, net of all liquidation expenses, shall be distributed by the liquidators among the holders of Shares in each Class in accordance with their respective rights. The amounts not claimed by shareholders at the end of the liquidation process shall be deposited, in accordance with Luxembourg law, with the *Caisse de Consignations* in Luxembourg until the statutory limitation period has lapsed.

## 20.2. Termination of a Sub-Fund

In the event that for any reason the value of the total net assets in any Class or Sub-Fund has not reached or has decreased to an amount determined by the Board of Directors to be the minimum level for such Class or Sub-Fund to be operated in an economically efficient manner, or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, the Board of Directors may decide to offer to the shareholders of such Sub-Fund to compulsorily redeem all the Shares of the relevant Class or Sub-Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realization expenses) determined on the Valuation Day at which such decision shall take effect. The Company shall serve a written notice to the holders of the relevant Class or Sub-Fund prior to the effective date for the compulsory redemption provided however that in no event shall such shareholders receive less than thirty (30) days' prior notice. This notice will indicate the reasons and the procedure for the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between the shareholders, the shareholders of the Class or the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge (but taking into account actual realisation prices of investments and realisation expenses) prior to the date effective for the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of shareholders of any Class within any Sub-Fund may, upon proposal from the Board of Directors, redeem all the Shares of the relevant Class within the relevant Sub-Fund and refund to the shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken by simple majority of those present or represented and voting.

Assets which may not be distributed to their owners upon the implementation of the redemption will be deposited with the *Caisse de Consignations* in Luxembourg on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled by the Company.

## 20.3. Amalgamation, Division or Transfer of Sub-Funds

As provided in the articles of incorporation of the Company, the Board of Directors have the right from time to time to amalgamate or divide any Sub-Fund or to transfer one or more Sub-Funds to another Luxembourg based or foreign UCITS. In the case of the amalgamation or

division of Sub-Funds, the existing shareholders have the right to require, within one (1) month of notification of such event, the redemption by the Company of their Shares free of charge. Any merger, as defined in Article 1 (20) of the UCI Law; will be implemented in accordance with Chapter 8 of the UCI Law.

The Board of Directors will decide on the effective date of any merger of the Company with another UCITS pursuant to article 66 (4) of the UCI Law.

## **21. INFORMATION AVAILABLE TO THE PUBLIC / QUERIES AND COMPLAINTS HANDLING**

### **21.1. Documents Available for Inspection**

The following documents may be inspected free of charge during usual business hours on any week day (Saturday and public holidays excepted) at the registered office of the Company:

- the articles of incorporation of the Company;
- the agreement(s) executed between the Management Company and the Company;
- the agreement executed between the Depositary, the Management Company and the Company and the agreement executed between the Central Administration, the Management Company and the Company;
- the agreements executed between the Investment Managers (if any); and
- the key investor information document (the “**KIID**”).

Copies of the Articles, the current Prospectus, the KIIDs, the latest financial reports, the voting policy, the complaints handling procedure are available the website of the Management Company at <http://www.homacapital.fr/>

### **21.2. Publication of the Net Asset Value per Share**

The Net Asset Value per Share of each Class of Shares in each Sub-Fund is made public at the registered office of the Company and is available at the offices of the Depositary. The Company will arrange for the publication of this information in the Reference Currency, if any, in leading financial newspapers. The Company cannot accept any liability for any error or delay in publication or for non-publication of prices.

### **21.3. Queries and complaints handling**

Shareholders of the Company may file complaints free of charge with the Management Company in an official language of their home country.

## **22. DISTRIBUTION POLICY**

It is intended that the Company will distribute dividends to holders of distribution shares in the form of cash in the relevant share class currency.

The general meeting of shareholders of the class or classes issued in respect of any Sub-Fund shall, upon proposal from the Board of Directors and within the limits provided by law,

determine how the results of such Sub-Fund shall be disposed of, and may from time to time declare, or authorise the board of directors to declare distributions

In addition the Board of Directors may declare interim dividends in respect of distribution shares.

However, the Company will pay dividends when a distributable surplus exists and if such payment is required for the purpose of obtaining certification as a distributing fund in the United Kingdom.

The Board of Directors may decide that dividends be directly reinvested by the purchase of additional Shares.

In any event, no distribution may be made if, as a result, the Net Asset Value of the Company would fall below the minimum capital required by UCI Law.

Dividends to be reinvested will be paid to the Registrar and Transfer Agent who will reinvest the money on instructions received from the Shareholders in additional Shares of the same class. Such Shares will be issued on the payment date at the Net Asset Value per Share of the relevant class. Fractional entitlements to registered Shares will be recognised to five decimal places.

It should be borne in mind that reinvested dividends are likely to be treated for tax purposes in most jurisdictions as income received by the shareholders in these other jurisdictions.

Dividends not claimed within five (5) years of their due date will lapse and revert to the relevant Class within the relevant Sub-Fund.

No interest shall be paid on a distribution declared by the Company and kept by it at the disposal of its beneficiary.

## **APPENDIX A**

### **INVESTMENT POWERS AND RESTRICTIONS**

#### **Definitions:**

**"CSSF"** shall mean the *Commission de Surveillance du Secteur Financier*

**"Group of Companies"** shall mean companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC on the preparation of consolidated accounts or in accordance with recognised international accounting rules.

**"Money Market Instruments"** shall mean instruments normally dealt with in on the money market, which are liquid and have a value, which can be accurately determined at any time.

**"Regulated Market"** referred to in Article 4, point 14 of Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 (the **"MIFID Directive"**)

**"Transferable Securities"** shall mean:

- Shares in companies and other securities equivalent to shares in companies;
- Bonds and other forms of securitized debt ("debt securities");
- Any other negotiable securities, which carry the right to acquire any such transferable securities by subscription or exchange;

excluding the techniques and instruments referred to in Appendix B.

***In order to achieve the Company's investment objectives and policies, the Board of Directors has determined that the below investment powers and restrictions shall apply to all investments by the Company.***

***Unless otherwise provided in the Appendix D relating to the Sub-Funds, the Board of Directors has determined that the following investment restrictions shall apply in respect of each Sub-Fund:***

**I. The Company, in each Sub-Fund, shall invest solely in:**

- 1) Transferable Securities and Money Market Instruments listed or traded on a regulated market;
- 2) Transferable Securities and Money Market Instruments traded on another regulated and regularly functioning market of a Member State of the European Union, that is recognised and open to the public, as defined in the UCI Law;
- 3) Transferable Securities and Money Market Instruments admitted for listing of a stock market of a State which is not part of the European Union or traded on another market of a State that is not part of the European Union, which is regulated and regularly functioning, recognised and open to the public;
- 4) Recently issued Transferable Securities and Money Market Instruments, provided that:
  - the terms of issue include an undertaking that an application will be made for admission to be officially listed on a stock exchange or other regulated, regularly functioning

market which is recognised and open to the public; and

- that such admission is obtained at the latest within one year of the issue.
- 5) Units of UCITS approved in conformity with UCITS Directive and/or other UCIs within the meaning of the first and second indent of Article 1, paragraph 2 of UCITS Directive, whether located or not in a European Union Member State, provided that:
- such other UCIs are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in UCITS Directive, and that the cooperation between authorities is sufficiently ensured;
  - the level of protection guaranteed to shareholders of these other UCIs is equivalent to that intended for shareholders of a UCITS, and, in particular, that the rules relating to the division of assets, borrowings, loans, short sales of transferable securities and money market instruments are equivalent to the requirements of UCITS Directive;
  - the activities of the other UCIs are reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over thereporting period;
  - the proportion of the assets of the UCITS or of these other UCIs, including exchange traded funds, whose acquisition is envisaged and which can be wholly invested in units of other UCITS or other UCIs, in conformity with their constitutive documents does not exceed 10%;
- 6) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a European Union Member State or, if the registered office of the credit institution is located in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those provided by the EU legislation;
- 7) Derivative financial instruments, including equivalent cash-settled instruments, traded on a regulated markets or other markets referred to in (1), (2) and (3) above, and/or derivative financial instruments dealt in over-the-counter (the "**OTC Derivatives**"), provided that:
- the underlying consists of instruments covered by this Prospectus, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives;
  - the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and
  - the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- 8) Money Market Instruments other than those traded on a regulated market and designated by Article 1 of the UCITS Law, as long as the issue or the issuer of such instruments are themselves are subject to regulations whose aim is to protect the investors and investments, and that the instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a

European Union Member State, a Central Bank of a European Union Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a third state or, in the case of a federal state, by one of the members making up the federation, or by a international public agency of which one or more European Union Member State are members; or

- issued by an undertaking any securities of which are traded on regulated markets referred to in 1), 2) or 3) above; or
- issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by European Union 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 intended by European Union legislation; or
- issued by other entities belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euros (EUR 10,000,000.-) and which presents and publishes its annual accounts in accordance with UCITS Directive, or 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.

**II. Moreover, and for each of the Sub-Funds, the Company may:**

- invest a maximum of 10% of the assets of each Sub-Fund in transferable securities and money market instruments other than those referred to above under I.1.1 above;
- except otherwise specified in the investment policy of each Sub-Fund, the Company may hold cash and cash equivalents on an ancillary basis.

**III. Moreover, concerning the net assets of each Sub-Fund, the following investment restrictions shall be observed by the Company in respect of each issuer:**

**(a) Rules for risk spreading**

For the calculation of the limits defined in points (1) to (5) and (7) below, companies belonging to the same Group of Companies shall be treated as a single issuer.

- Transferable Securities and Money Market Instruments
- 1) The Company may not invest more than 10% of the assets of each Sub-Fund in transferable securities or money market instruments of the same issuer and cannot invest more than 20% of its assets in deposits placed with the same entity. The counterparty risk of the Company in a transaction involving OTC Derivatives may not exceed 10% of the assets when the counterparty is one of the credit establishments specified in 5.1.1 paragraph 6), or 5% of its assets in other cases.
  - 2) The total value of the transferable securities and money market instruments held by the Company from issuers in which it invests more than 5% of its assets may not exceed 40% of the value of its assets. The limitation does not apply to deposits in financial establishments that are subject to prudential supervision and to transactions of OTC Derivative instruments with these establishments. Notwithstanding the

individual limits set in paragraph 1) above, the Company may not combine where this would lead to investment of more than 20% of its assets in a single entity, any of the following:

- instruments in transferable securities or money market instruments issued by that single entity;
  - deposits made in that single entity, and/or
  - risks related to transactions involving OTC Derivative instruments undertaken with a single entity, that represent more than 20% of its assets.
- 3) The 10% limitation defined in the first sentence of paragraph 1) above may be raised to a maximum of 35% when the transferable securities or money market instruments are issued or guaranteed by a European Union Member State, by its local authorities, by a state that is not a member of the European Union or by international public bodies of which one or more EU Member States are members. The transferable securities and money market instruments mentioned in this paragraph are not accounted for when applying the 40% limit mentioned in paragraph 2) above.
  - 4) The 10% limit defined in the first sentence of paragraph 1) above may be raised to a maximum of 25% for certain debt securities, when they are issued by a credit establishment having its registered headquarters in an European Union Member State that is legally subject to special public auditing designed to protect holders of the bonds. In particular, the amounts originating from the issue of the bonds must be invested, in conformity with the law, in assets that adequately cover, for the entire duration of the validity of the bonds, the related liabilities and that will be distributed preferentially as redemption of the capital and payment of interest accrued in the event of default by the issuer. When the Company invests more than 5% of its assets in bonds as understood in this paragraph and issued by the same issuer, the total value of the investments may not exceed 80% of the value of the assets of a Sub-Fund of the Company. The transferable securities and money market instruments mentioned in this paragraph are not accounted for when applying the 40% limit mentioned in paragraph 2) above.
  - 5) The limits defined in the previous points 1), 2), 3) and 4) are not cumulative and therefore, the instruments in transferable securities or money market instruments of a single issuer, in deposits or derivative instruments involving this entity, in conformity with these paragraphs, may not exceed a total of 35% of the assets of the Company;
  - 6) The companies that are grouped together in the consolidated accounts, within the meaning of UCITS Directive or in conformity with recognised international accounting rules, are considered as a single entity for the calculation of the limits described in points 1) to 5) above.

A single UCI may invest cumulatively up to 20% of its assets in the transferable securities or money market instruments within the same group.

- 7) Notwithstanding the limits indicated above, and in accordance with the principle of risk spreading, the Company may invest up to 100% of the assets of each Sub-Fund in transferable securities or money market instruments issued or guaranteed by a EU or OECD Member State, by local authorities of an EU Member State or by international public bodies of which one or more EU Member States are members, provided that these securities belong to at least six (6) different issues and that ii) the securities belonging to a single issue do not exceed 30% of the net assets of the Sub-Fund.



- 8) The Company may not invest more than 20 % of the assets of each Sub-Fund in a single UCITS or other UCI as defined under 5.1.1. The investment in UCI units other than UCITS may not exceed a total of 30% of the assets of each Sub-Fund. In the application of this limit, each Sub-Fund of a UCI with multiple sub-funds is considered as a separate issuer provided that the principle of segregation vis-à-vis to third parties is ensured.

When a Sub-Fund's investment policy allows it to invest via total return swaps in shares or units of UCITS and/or other UCIs, the 20% limit defined above is also applied, to the extent that potential losses resulting from the kind of swap contract creating an exposure to a single UCITS or UCI together with direct investments in this single UCITS or UCI, will not in total exceed 20% of the net assets of the Sub-Fund in question. In the case that these UCITS are Sub-Funds of the Company, the swap contract will include provisions for a cash settlement.

### **(b) Restrictions with regard to investment**

The Company may not acquire for any of the Sub-Funds:

- 1) Shares granting voting right in sufficient number to allow it to exercise a significant influence on the management of the issuer;
- 2) More than:
  - 10% of shares without voting rights of a single issuer;
  - 10% of the bonds of a single issuer;
  - 25% of the units or shares of a single undertaking for collective investment;
  - 10% of money market instruments of a single issuer;

The limits set forth in the second, third and fourth indents above may be disregarded at the time of acquisition if, at that time, the gross value of the bonds or money market instruments or the net value of securities issued cannot be calculated.

The restrictions mentioned above are not applicable:

- to the transferable securities and money market instruments issued or guaranteed by a European Union Member State, by its local authorities, or by a state that is not a member of the European Union;
- to the transferable securities and money market instruments issued by international public bodies of which one or more European Union Member States are members;
- to shares held in the capital of a corporation of a third state to the European Union that invests its assets mainly in the securities of issuers of that state, where under the legislation of that state such a holding represent the only way in which the UCITS can invest on the securities of issuers of that state. This exception is, however, only applicable when the third state of the European Union respects in its investment policy the limits established by Articles 43 to 46 and Article 48, paragraph 1) and 2), of the UCITS Law. In the case that the limits defined in Articles 43 to 46 of the UCITS Law are exceeded, Article 49 applies;
- to shares held by one or more investment companies in the capital of subsidiary companies exercising management, advising, or sales companies solely for the benefit

of the subsidiary companies in the country where the subsidiary is located in regard to the redemption of shares at the shareholder's request.

- **Loans**

- The Company may for each Sub-Fund temporarily contract loans in a proportion not to exceed 10% of the assets of that Sub-Fund.
- The Company may not grant credits or act as guarantor on behalf of third parties.

The paragraph above does not prevent the acquisition by the Company of transferable securities, money market instruments or other financial instruments allowed under clause 5.1.1 points 5), 7) and 8) not fully paid up.

- The Company may not, for any Sub-Fund, undertake transactions involving the physical short sale of transferable securities, money market instruments or other financial instruments specified in 5.1.1 points 5), 7) and 8).

**(c) Risk management process**

The Company utilises a risk management method that allows it at all times to monitor and measure the risk associated with positions and the contribution of the positions to the overall portfolio risk profile.

The Company also utilises a method that allows a precise and independent evaluation of the value of the OTC derivatives.

The Company makes sure that the overall risk associated with the derivative instruments does not exceed the total net asset value of the portfolio. Risks are calculated taking account on the current value of the underlying assets, the counterparty risk, foreseeable changes in the markets and the time available for liquidating the positions.

The counterparty risk associated with OTC derivative financial instruments is evaluated in accordance with the market value notwithstanding the necessity to use ad hoc price fixing models when the market price is not available.

In addition, the integral credit equivalent approach, coupled with multiplier coefficients will be used to reflect the potential future risk.

The Management Company will calculate the global exposure of each Sub-Fund in accordance with Circular 11/512 of the CSSF dated 30 May 2011. The Management Company will use for each Sub-Fund either the commitment approach, the relative Value-at-Risk approach or the absolute Value-at-Risk approach.

For those Sub-Funds for which either the relative Value-at-Risk approach or the absolute Value-at-Risk approach will be used the expected level of leverage will be outlined.

For those Sub-Funds for which the relative Value-at-Risk approach will be used, the respective reference portfolio will be additionally outlined.

The expected level of leverage will be calculated as the expected average sum of notionals of derivatives. Please note that the sum of notionals of derivatives might temporarily exceed the expected level of leverage or might be subject to change in the future. Shareholders should be aware that derivatives might be used for different purposes including hedging or speculative purposes. In accordance with Circular 11/512 of the CSSF dated 30 May 2011 the calculation

of the expected sum of notionals does not distinguish between the different purposes of a derivative. Therefore this figure delivers no indication regarding the riskiness of a Sub-Fund.

Sub-Fund Name	Approach	Expected sum of notionals	Comparable Portfolio	Maximum Leverage
YCAP Tactical Investment	Commitment Approach	-	-	100% of the total net assets of the Sub-Fund in derivative instruments.
YCAP SEQUOIA	Commitment Approach	-	-	100% the total net assets of the Sub-Fund in derivative Instruments

For those Sub-Funds for which the commitment conversion approach, the gross commitment will be equal to the sum of the commitments of the individual financial derivative instrument (including embedded derivatives) after derivative netting.

If the netting or hedging arrangement involves security positions, the market value of security positions can be used to offset gross commitment.

The net commitment will be equal to the absolute value of the resulting calculation.

Global exposure will be then equal to the sum of:

- the absolute value of the commitment of each individual derivative not involved in netting or hedging arrangements; and
- the absolute value of each net commitment after the netting or hedging arrangements as described above; and
- the sum of the absolute values of the commitment.

## **APPENDIX B**

### **FINANCIAL TECHNIQUES AND INSTRUMENTS**

#### **A. General provisions**

For the purpose of efficient portfolio management and/or to protect its assets and liabilities or, when it is specified in the investment policy of a specific Sub-Fund, for another purpose, the Company may arrange for each Sub-Fund to make use of techniques and instruments which have Transferable Securities and Money Market Instruments or other types of underlying assets in compliance with CSSF circular 08/356 on rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments (the “CSSF Circular 08/356”), CSSF circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues (the “CSSF Circular 14/592”) and the regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (“SFTR”)

The techniques and instruments referred to in this paragraph include, among others, the purchase and sale of call and put options and the purchase and sale of future contracts or the entering into swaps relating to foreign exchange rates, currencies, securities, indices, interest rates or other admissible financial instruments as further described herein below.

The Sub-Funds shall use instruments dealt in on a regulated market referred to under a), b) and c) of section 1 of Appendix A above.

The Sub-Funds may also invest in OTC financial derivative instruments (in accordance with the conditions set out in Appendix A) including but not limited to non-deliverable forwards, total return swaps, interest rate swaps, currency swaps, swaptions, credit default swaps, and credit linked note for either investment or for hedging purposes and may employ techniques and instruments relating to transferable securities and money market instruments (including but not limited to securities lending and borrowing, repurchase and reverse repurchase agreements) for investment purpose and efficient portfolio management .

In doing so, the Sub-Fund shall comply with applicable restrictions and in particular with ESMA guidelines on ETFs and other UCITS issues as described in CSSF Circular 14/592 as amended from time to time. Furthermore, for the avoidance of doubt, ETFs will be understood within the definition and meaning of the aforementioned ESMA Guidelines and should be compliant with Article 41.1 (e) of the UCI Law.

The risk exposures to a counterparty arising from OTC financial derivative transactions and efficient portfolio management techniques should be combined when calculating the counterparty risk limits of Article 52 of Directive 2009/65/EC.

In general, when these transactions involve the use of derivatives, the conditions and restrictions set out in Appendix A must be complied with.

In addition, techniques and instruments include securities lending and borrowing transactions as well as sale with right of repurchase transactions / reverse repurchase and repurchase agreement transactions. In no case whatsoever must recourse to transactions involving derivatives or other financial techniques and instruments cause the Company to depart from the investment objectives set out in the Prospectus.

In its financial reports, the Company must disclose:

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

All revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the Company. In particular, fees and cost may be paid to agents of the Company and other intermediaries providing services in connection with efficient portfolio management techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Company through the use of such techniques. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary, the Management Company or the Investment Manager – will be available in the annual report of the Company.

## **B. Special investment techniques and instruments**

The Company may employ techniques and instruments relating to transferable securities and money market instruments for investment purposes as well as hedging and efficient portfolio management purposes.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives as laid down under "Investment Objectives, Policies and Restrictions".

### **1. Options, futures contracts, exchange contracts on transferable securities, currencies or financial instruments**

To ensure that the portfolio is managed effectively and for hedging purposes, the Company may buy and sell call and put options and futures contracts, and conclude exchange contracts, CFDs ("**Contracts For Difference**") on transferable securities, currencies or any other type of financial instruments, provided that these derivative instruments are traded on a regulated market operating regularly that is recognised and open to the public; however, these derivatives may also be traded over-the-counter ("**OTC**") provided that they are contracted with leading financial institutions specialising in this type of transaction.

### **2. Credit derivatives**

The Company may invest in buying and selling derivatives. Credit derivatives products are used to insulate and transfer the credit risk associated with a base asset. They are two categories of credit derivatives: "financed" and "non-financed" depending on whether or not the protection seller has made an initial payment in relation to the base asset.

Despite the great variety of credit derivatives, the three most common types of transaction are the following:

- The first type: transactions on credit default products are transactions in which the debts of the parties are linked to the presence or absence of one or several credit events in relation to the base asset. The credit events are defined in the contract and represent a decline in the value of the base asset. Credit default products may either be paid in cash or by physical delivery of the base asset following the default.
- The second type: total return swaps ("**Total Return Swaps**") are an exchange of the economic performance of an underlying asset without transferring ownership of the asset. When a buyer purchases a Total Return Swap, it makes a regular payment at a

variable rate, in return for which all the results relating to a notional amount of that asset accrue to it over a period of time agreed with the counterparty. The use of these instruments can help offset the Company's exposure.

- The third type: credit spread derivatives are credit protection transactions in which the payments may be made either by the buyer or by the seller of the protection based on the relative credit value of two or more base assets.

However, at no time may these operations be conducted for the purpose of modifying the investment policy.

### **3. Application of sufficient hedging on transactions involving derivative products and instruments whether or not traded on a regulated market**

When a derivative financial contract provided, either automatically or at the choice of the Company's counterparty, for the physical delivery of the underlying financial instrument on the date of expiry or on exercise, and as long as physical delivery is common practice for the instrument concerned, the Company must hold the underlying financial instrument in its portfolio as a hedge.

### **4. Substitution by another underlying hedge in the event of a cash settlement**

When a derivative financial instrument is settled in cash, automatically or at the Company's discretion, the Company is allowed to not hold the specific underlying instrument as a hedge. In this case, the following categories of instruments are acceptable hedges:

- Cash;
- Liquid debt securities, provided that appropriate safeguards methods exist; and
- Any other very liquid asset considered by reason of its correlation with the underlying asset of the derivative instrument, provided that appropriate safeguards methods exist.

### **5. Calculating the amount of the hedge**

The amount of hedge must be calculated using the liabilities approach.

For the purpose of reduction of risk, reduction of cost and in order to generate additional capital or income, the Company is authorised to use the following techniques and instruments relating to transferable securities and money market instruments, in compliance with the requirements of the CSSF circulars 13/559 and 14/592:

- Securities lending, borrowing and repurchase agreement transactions;
- Reverse repurchase and repurchase agreement transactions.

### **6. Securities lending and borrowing**

The Company may, for efficient portfolio management purposes, enter into securities lending, borrowing in respect of securities held within the portfolio of a Sub-Fund provided that they comply with the regulations set forth in CSSF Circular 08/356 and CSSF Circular 14/592 concerning the rules applicable to undertakings for collective investment when they use certain techniques and instruments relating to transferable securities and money market instruments, as amended from time to time:

- The Company may only lend or borrow securities through a standardised system

organized by a recognized clearing institution or through a first class financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Union legislation and specialised in this type of transactions.

- As part of lending transactions the Company must receive collateral the value of which during the lifetime of the contract must be at least 90% of the total value of these securities lent. The amount of collateral is valued daily to ensure that this level is maintained. Provisions set out in Section 8 “Collateral policy” are applicable.
- The Company must 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 Company’s assets in accordance with its investment policy.
- The securities borrowed by the Company may not be disposed of during the time they are held by the Company, unless they are covered by sufficient financial instruments that enable the Company to return the borrowed securities at the close of the transaction.
- Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund.
- The Company may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depositary fails to make delivery; and **(d)** as a technique to meet its obligation to deliver the securities being the object of a repurchase agreement when the counterparty to such agreement exercises its right to repurchase these securities, to the extent such securities have been previously sold by the Company.

As of the date of this Prospectus, the Company does not carry out securities lending transactions. If the company were to use securities lending transactions, the Prospectus will be updated in accordance with the applicable regulations to specify the counterparty to these operations, the policy with regards to cost/direct operational costs and indirect arising from these operations, the exposure obtained through the use of this type of operations and the type and amount of collateral.

In its financial reports, the Company must disclose:

- \* the exposure obtained through efficient portfolio management techniques;
- \* the identity of the counterparty(ies) to these efficient portfolio management techniques;
- \* the type and amount of collateral received by the Company to reduce counterparty exposure;
- \* the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

The Company ensures that it is able at any time to recall any security that has been lent or terminate any securities lending transaction into which it has entered;

#### Specific risks linked to securities lending

In relation to securities lending transactions, investors must notably be aware that (A) if a borrower fails to return the securities lent by a Sub-Fund, there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the objectives of the Sub-Fund, or (iii) yield a sum less than the amount of collateral to be returned; and that (C) delays in the return of securities on loans may restrict the ability of a Sub-Fund to meet delivery obligations under security sales.

### **7. Reverse repurchase and repurchase agreement transactions**

The Company may on an ancillary basis enter into reverse repurchase and repurchase agreement transactions, in accordance with the provisions of CSSF Circular 08/356, CSSF Circular 14/592 and ESMA Guidelines 2014/937 and SFTR, which consist of a forward transaction at the maturity of which:

- the seller (counterparty) has the obligation to repurchase the asset sold and the Company the obligation to return the asset received under the transaction. Securities that may be purchased in reverse repurchase agreements are limited to those referred to in the CSSF Circular 08/356 dated on June 4, 2008 and they must conform to the Company's investment policy; or
- the Company has the obligation to repurchase the asset sold and the buyer (the counterparty) the obligation to return the asset received under the transaction. The Company must ensure that, at maturity of the agreement, it has sufficient assets to be able to settle the amount agreed with the counterparty for the restitution to the Company.

The Company may act as either purchaser or seller in repurchase transactions. However, its involvement in such agreements is subject to the following provisions:

- (1) The Company may not buy or sell securities using a repurchase transaction unless the contracting partner in such transactions is a first-class financial institution that has specialised in this type of transactions.
- (2) During the term of a repurchase contract, the Company may only sell the securities which are the object of the contract if the contracting partner agrees to a premature repurchase of the securities, or the repurchase term has expired.
- (3) In its financial reports, the Company must disclose:
  - \* the exposure obtained through efficient portfolio management techniques;
  - \* the identity of the counterparty(ies) to these efficient portfolio management techniques;
  - \* the type and amount of collateral received by the Company to reduce counterparty exposure;



- \* the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

- (4) The Company must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement must be used for the calculation of the Net Asset Value of the relevant Sub-Funds.
- (5) The Company must further ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
- (6) Fixed-term repurchase and reverse repurchase agreements that do not exceed seven (7) days are to be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

As of the date of this Prospectus, the Company does not carry out (reverse) repurchase agreement transaction. If the company were to use (reverse) repurchase agreements transactions, the Prospectus will be updated in accordance with the applicable regulations to specify the counterparty to these operations, the policy with regards to cost/direct operational costs and indirect arising from these operations, the exposure obtained through the use of this type of operations and the type and amount of collateral.

These information will be stated in the Company's financial reports.

#### Specific risks linked to repurchase transactions

In relation to repurchase transactions, investors must notably be aware that (A) in the event of the failure of the counterparty with which cash of a Sub-Fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; that (B) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Sub-Fund to meet redemption requests, security purchases or, more generally, reinvestment; and that (C) repurchase transactions will, as the case may be, further expose a Sub-Fund to risks similar to those associated with optional or forward derivative financial instruments, whose risks are further described in other sections of this prospectus.

## 8. Collateral Policy

### General

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by the Company in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

## Eligible collateral

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

1. Liquidity – any collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Article 56 of the Directive 2009/65/EC.
2. Valuation – the collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
3. Issuer credit quality – the collateral received should be of high quality.
4. Correlation – the collateral received by the Company should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
5. Collateral diversification (asset concentration) – collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Company receives from a counterparty of efficient portfolio management and over-the-counter financial derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its net asset value. When the Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, the Company may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Company should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Company's net asset value. The Company that intend to be fully collateralised in securities issued or guaranteed by a Member State should disclose this fact in its prospectus. The Company should also identify the Member States, local authorities, or public international bodies issuing or guaranteeing securities which they are able to accept as collateral for more than 20% of their Net Asset Value.
6. The risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
7. The collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

Where there is a title transfer, collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the Company. For other types of collateral

arrangement, the collateral will be held by a third-party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

### Level of collateral and haircut policy

The Company will determine the required level of collateral for OTC financial derivatives transactions by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions.

Collateral will be valued, on a daily basis, using available market prices and a daily margin variation and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. 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.

Any haircuts applicable to collateral are agreed conservatively with each OTC financial derivative counterparty on case by case basis. They will vary according to the terms of each collateral agreement negotiated and prevailing market practice and conditions. Collateral received by the Company shall predominantly be limited to cash and government bonds.

Following guidance, in respect of acceptable levels of haircut for collateral on OTC transactions and financial techniques instruments is applied by the Management Company: (the Management Company reserves the right to vary its practice at any time):

#### *Public Regulatory Collateral Grid:*

- Asset Class	- Minimum Rating accepted	- Margin Request /NAV	- Cap by asset class /NAV	- Cap by Issuer /NAV
- Cash (EUR, USD and GBP)	-	- 100-102%	- 100%	-
- Fixed Income	-	-	-	-
- Eligible OECD Government Bonds	- AAA	- 100-105%	- 100%	- 20%
- Eligible Supra & Agencies	- AAA	- 100-105%	- 100%	- 20%
- Other Eligible Countries Government Bonds	- BBB	- 100-115%	- 100%	- 20%
- Eligible OECD Corporate Bonds	- A	- 100-117%	- 100%	- 20%
- Eligible OECD Corporate Bonds	- BBB	- 100-140%	- 10-30%	- 20%
- Eligible OECD	- A	- 100-117%	- 10-30%	- 20%

Corporate Bonds				
- Eligible OECD Corporate Bonds	- BBB	- 100-140%	- 10-30%	- 20%
- Money Market Units	- UCITS IV	- 100-110%	- 100%	- 20%
- CD's (eligible OECD and other eligible countries)	- A	- 100-107%	- 10-30%	- 20%
- Eligible indices & Single equities linked	-	- 100-140%	- 100%	- 20%

### Reinvestment of collateral

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

Cash collateral received should only be:

- placed on deposit with entities prescribed in Article 50 (f) of the Directive 2009/65/EC;
- used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

The re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

The Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion 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.

The above provisions apply subject to any further guidelines issued from time to time by ESMA amending and/or supplementing ESMA Guidelines 2014/937 on ETFs and other UCITS issues and/or any additional guidance issued from time to time by the relevant regulatory authority in relation to the above.

## 9. Securities financing transactions and total return swaps

The Company and any of its Sub-Funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFTs for investment purposes will be in line with the risk profile and risk diversification rules applicable to the Company and any of its Sub-Funds.

SFTs include the following transactions:

(i) "securities lending" or "securities borrowing" means a transaction by which a counterparty transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred. As of the date of this Prospectus, the Company does not enter in these types of "securities borrowing" or "securities lending";

(ii) "buy-sell back transaction" or "sell-buy back transaction" means a transaction by which a counterparty buys or sells securities or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities, or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy-sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse-repurchase agreement within the meaning of item (iii) below. As of the date of this Prospectus, the Company does not enter in these types of "buy-sell back transaction" or "sell-buy back transaction";

(iii) "repurchase transaction" means a transaction governed by an agreement by which a counterparty transfers securities or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them. As of the date of this Prospectus, the Company does not enter in these types of "repurchase transaction" or "reverse repurchase transaction";

(iv) "margin lending transaction" means a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities. As of the date of this Prospectus, the Company does not enter in these types of "margin lending transaction";

As of the date of this Prospectus, the Company does not carry out securities financing transactions (SFT). Such transactions include, among others, (i) securities lending or borrowing, (ii) repurchase or reverse repurchase agreements, (iii) margin lending. If the company were to engage in SFTs, the Prospectus will be updated in accordance with the applicable regulations to specify the counterparty to these operations, the policy with regards to cost/direct operational costs and indirect arising from these operations, the exposure obtained through the use of this type of operations and the type and amount of collateral.

Total returns swaps (TRS), although being a non-SFT operation, are also subject to the same regulatory reporting requirements for they may involve the exchange of collateral. The Company currently engages in TRS in accordance with the respective regulatory requirements and statutory rules defined in the prospectus.

The Company and any Sub-Funds may further enter into swap contracts relating to any financial instruments or indices, including TRSs. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRSs or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or

fully) in these underlying assets.

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

The maximum proportion of assets that may be subject to SFT and TRS and the expected proportion of assets that will be subject to TRS or SFT will be set out for each Sub-Fund in in the relevant Sub-Fund's specifications in Appendix D. If a Sub-Fund intends to make use of SFT and TRS, the relevant Special Section will include the disclosure requirements of the SFTR.

All revenues arising from the use of efficient portfolio management techniques, SFTs, and TRS net of direct and indirect operational costs, will be returned to the relevant Sub-Fund in accordance with CSSF Circular 14/592.

Counterparties will be leading financial institutions of good reputation specialised in this type of transaction and subject to prudential regulation and supervision in an OECD member state. The counterparties must hold a rating at investment grade level and must, in all cases, have entered into an ISDA master agreement, credit support annex and delegation EMIR reporting agreement.

Any counterparty shall be pre-approved by the Management Company. The counterparties are selected through market and risk-reward analysis ensuring that the counterparties offer all guarantees in terms of organization and best execution policy. The selected counterparties do not have discretionary power over the composition or management of the investment portfolio of the Sub-Funds or over the underlying assets of the derivative financial instruments.

Assets received under an EPM Techniques are held by the Depositary or its delegate in accordance with the provisions of the section entitled "Depositary" of the Prospectus.

Gross revenues (100%) generated by the use of each TRS are attributed to the UCITS.

## APPENDIX C

### DETAILS OF EACH CLASS OF SHARES

CLASS	DESCRIPTION
Class EUR A Shares	Open for investment by institutional investors.
Class USD A Shares	Open for investment by institutional investors.
Class EUR B Shares	Open for investment by retail and institutional investors.
Class USD B Shares	Open for investment by retail and institutional investors.
Class CHF B Shares	Open for investment by retail and institutional investors.
Class EUR C Shares	Open for investment by retail investors
Class USD C Shares	Open for investment by retail investors
Class EUR D Shares	Distribution shares. Open for investment by retail investors.
Class EUR E Shares	Open for investment by the (i) Management Company or any of their directors or employees; (ii) the Directors; (iii) any person connected with any such person, (iv) any company, partnership or other person or entity controlled by or which is the controller of any such persons, (v) any company, partnership or other person or entity for which such a person (or any affiliate of such a person) has been appointed or acts as Investment Manager, or (vi) any nominee of any of the foregoing (hereinafter defined as the " <b>Management</b> ").
Class EUR F Shares	<b>Class EUR F shares</b> are only available for subscription by the UCIs managed by the Management Company
Class EUR G Shares	Only available for subscription by the UCIs managed by the Management Company and institutional clients for which the Management

	Company is providing discretionary portfolio management
<b>Class EUR H Shares</b>	Distribution shares. Open for investment by institutional investors.
<b>Class EUR I Shares</b>	Open for investment by institutional investors.
<b>Class EUR J Shares</b>	Open for investment by employees and directors of the Management Company, and subject to no management fees.



## APPENDIX D

### SUB-FUNDS SPECIFICATIONS

Information contained in Appendix D of the present Prospectus should be read in conjunction with the full text of the Prospectus. In case of discrepancy between the Prospectus and Appendix D, Appendix D shall prevail.

<b>YCAP FUND</b>  <b>YCAP TACTICAL INVESTMENT</b>
<p><b>INVESTMENT OBJECTIVE OF THE SUB-FUND</b></p> <p>The Sub-Fund will build a flexible portfolio, operating a dynamic asset allocation across global equity, sovereign bond, currency and volatility markets. The exposure will be predominantly achieved using derivatives such as futures and TRS. However, a limited amount of exposure may be obtained directly by investing into stocks and corporate bonds. Money market and government bonds may be used for cash management purposes.</p> <p>The Sub-Fund does promote environmental and/or social characteristics within the meaning of article 8 of the SFDR Regulation (UE) 2088/2019.</p>
<p><b>INVESTMENT POLICY OF THE SUB-FUND</b></p> <p>The Sub-Fund seeks to capture significant performance in favorable markets environments while preserving capital in adverse configurations. In order to achieve this objective, the Sub-Fund will operate a flexible and dynamic asset allocation within:</p> <ul style="list-style-type: none"> <li>- worldwide stock index futures, i.e. Financial Indices as defined in article 9 of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the amended UCI Law,</li> <li>- Government bond futures,</li> <li>- Currency futures</li> <li>- futures and currencies and</li> <li>- Total Return Swaps.</li> </ul> <p>The Sub-Fund will not be exposed to any commodities.</p> <p>Exposure towards emerging markets may be obtained indirectly via futures or TRS within a limit of 25% of net asset value. Exposure towards high yield instruments is limited to 20% of net asset value.</p> <p>The Sub-Fund may invest directly between 0 and 100% of its net assets in money market instruments, government bonds, currency, corporate bonds and in listed equities regardless of capitalisations.</p> <p>Direct equity investments into micro and small cap equities are limited to 10% of net asset value</p> <p>The Sub-Fund may decide to use short positions to achieve its investment objective only through the use of derivatives instruments.</p> <p><b>Asset selection</b> The investment manager initially discretionally selects a set of diversified assets performing well in various economic conditions: growth, inflation and deflation. Furthermore, the chosen assets must be highly liquid and traded in regulated markets.</p> <p><b>Portfolio Construction</b> For those assets, the selection of instruments and their allocation is based on internal research and analysis, proprietary models, and to a lesser extent, models built with partners independent of the management company such as external advisers and extra financial data bases.</p>

Among the models used, the fund may rely on an investment approach based on artificial intelligence. The final investment decision remains at the sole discretion of the investment manager.

The Sub-Fund may invest no more than 10% of its assets in other UCITs and in UCIs, including EU and non-EU ETFs, investing in bonds or equities or having a mixed portfolio of bonds and equities, according to art 41, 1.e law of 17 December 2010 relations to undertakings for collective investment.

Use of derivatives and efficient portfolio management techniques

The Sub-Fund will use derivatives, including futures, forwards, options, swaps and credit derivatives for the purpose of hedging or exposure regardless of underlying assets.

All single name investments across equities and bonds respect Homa Capital's exclusion policy, which is ESG-compliant. Further details can be found on . Appendix D SUB-FUNDS SPECIFICATIONS - **Use of securities financing transactions**

When the underlying is an equity index: in presence of an ESG index that meets the same characteristics on liquidity, volume and trading hours than the non-ESG version then the ESG version of the index will be selected.

When the underlying is a government bond future, an independent analysis of ESG profil of the concerned countries is also used by the managers to complete the ESG analysis of the sovereign bonds. The Sub-Fund may furthermore use the derivatives specified hereabove, and future contracts on financial indices in particular, to hedge market risk.

The Sub-Fund may invest or use TRS on a continuous basis within the limits set out in the table below:

Type of transactions	Expected proportion of the sub- funds' assets under management that will be subject to:	Maximum proportion of assets under management that can be subject to:
TRS and other derivatives with the same characteristics	100%	150%

Typically investments in such instruments will be made to adjust the portfolio's market exposure in a more cost efficient way.

Transferable securities, basket of transferable securities, indexes, and undertakings for collective investment may be used as an underlying for TRS.

The Sub-Fund may incur fixed or variable brokerage fees and transaction costs upon entering in TRS and/or upon increasing or decreasing its notional amount as well as upon rebalancing cost for an index that is the underlying asset of such instruments where the rebalancing frequency is determined by the provider of the relevant index. The counterparties to such instruments do not have discretionary power over the composition or management of the investment portfolio of the Sub-Fund or over the underlying assets of such instruments.

Revenues arising from the use of TRS will be stated in the annual report

**Use of securities financing transactions**

The Sub-Fund will not use for the time being securities financing transactions as defined in 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.

This Sub-Fund Particular will be amended prior to the use of such transactions and instruments should the Sub-Fund intend to use them.

**ESG Policy :**

The management company has put into place an ESG policy that considers sustainability risks in its investment decisions. To do so, the management company proceeds to evaluate with the help of an ESG analyst the occurrence of an environmental, social or governance event that could cause a material negative impact on the value of an investment. It also considers the extent to which an investment could also result in a potential or actual negative externality that could impact environmental, social or governance issues. In addition to reviewing such risks at an investment level, the management company seeks a second-party opinion in regards with exclusions and controversies from a dedicated ESG committee which is composed of professionals with great experience in ESG-related issues.

The Sub-Fund is then subjected to an exclusion filter that targets investments which have been rejected by the ESG committee, as well as investments which fall into the categories of legal exclusions (i.e. controversial weapons) and sector exclusions (i.e. tobacco, gambling...). The management company further extends its ESG-based exclusion policy to its daily management. The exclusion policy is applicable to single name positions and comprises, but is not limited to, an exclusion list that specifically targets forbidden states based on European and international lists (List of non-cooperative jurisdictions - UE and List of high-risk jurisdictions - FATF). Countries present in the mentioned lists present a risk of non-compliance with ESG rules and are thus excluded from the portfolio.

<b>INVESTOR TYPE PROFILE</b>	YCAP Tactical Investment is an investment vehicle dedicated to investors who wish to achieve a steady performance in favorable markets environments while preserving capital in adverse configurations.
<b>RISK FACTORS</b>	Derivative markets are volatile, both the opportunity to achieve gains as well as the risk of suffering losses are greater than with investments in securities or money markets instruments. The risk factor(s) should be considered in addition to those set out in Section 6. "Risks" of this Prospectus.
<b>RISK APPROACH</b>	Commitment
<b>INVESTMENT MANAGER</b>	HOMA CAPITAL SA

<b>REFERENCE CURRENCY</b>	EUR
<b>OTHER DENOMINATION CURRENCY</b>	Not available
<b>LAUNCH DATE OR INITIAL SUBSCRIPTION PERIOD</b>	2 November 2012
<b>INITIAL PERIOD OR OFFER DAY</b>	2 November 2012
<b>SUB-FUND SUBSCRIPTION DEADLINE</b>	11 January 2013
<b>INITIAL PRICE</b>	EUR 100 or USD 100 or CHF 100 depending on the Class of Shares
<b>CLASS OF SHARES</b>	Class EUR A shares Class USD A shares* Class EUR B shares Class USD B shares* Class CHF B shares* Class EUR C shares Class EUR E shares Class EUR F shares Class EUR I shares  *Hedged Share class
<b>VALUATION DAY</b>	Shares of each Class of the Sub-Fund are issued daily, at the relevant Net Asset Value per share (the “ <b>Subscription Price</b> ”) as determined as of each Valuation Day, on the basis of the last available closing prices in Luxembourg. The effective calculation of this daily Net Asset Value is effected on the Business Day following the Valuation Day.
<b>LISTING</b>	EURO MTF

## APPLICATION FOR SHARES

Shares in the Sub-Fund are issued on a daily basis.

Investment in Shares of the Sub-Fund shall be subject to the following **minimum initial subscription requirements**:

**Minimum initial subscription amount:**

Class EUR A shares	EUR	500,000
Class USD A shares	USD	500,000
Class EUR B shares	EUR	1,000
Class USD B shares	USD	1,000
Class CHF B shares	CHF	100
Class EUR C shares	EUR	100
Class EUR E shares	None	
Class EUR F shares	EUR	500,000
Class EUR I shares	EUR	50,000,000

**Class EUR E shares** are only available for subscription by (i) the Management Company or any of their directors or employees; (ii) the Directors; (iii) any person connected with any such person, (iv) any company, partnership or other person or entity controlled by or which is the controller of any such persons, (v) any company, partnership or other person or entity for which such a person (or any affiliate of such a person) has been appointed or acts as Investment Manager, or (vi) any nominee of any of the foregoing. The Directors shall determine, in their sole discretion, a person's eligibility to subscribe for Class EUR E Shares.

**Class EUR F shares** are only available for subscription by the UCIs managed by the Management Company

**Class EUR I shares:** are only available for subscription by independent inter-professional pension scheme.

**Minimum additional subscription amount:**

Class EUR A shares	EUR	10,000
Class USD A shares	USD	10,000
Class EUR B shares	EUR	1,000
Class USD B shares	USD	1,000
Class CHF B shares	CHF	100
Class EUR C shares	EUR	100
Class EUR E shares	None	
Class EUR F shares	EUR	10,000
Class EUR I shares	EUR	50,000,000

**Minimum holding requirement:**

Class EUR A shares	EUR	500,000
Class USD A shares	USD	500,000
Class EUR B shares	EUR	1,000
Class USD B shares	USD	1,000
Class CHF B shares	CHF	100
Class EUR C shares	EUR	100
Class EUR E shares	None	
Class EUR F shares	EUR	500,000
Class EUR I shares	EUR	50,000,000

The Board of Directors may waive in its discretion the minimum initial subscription amount and the minimum holding requirement.

Applications must be received by the Central Administration by (noon) 12 p.m. (Luxembourg time) at the latest, on each applicable Subscription Valuation Day (or the preceding Business Day if such a day is not a Business Day). Any application received after such time is considered for the immediately following Subscription Valuation Day.

Payment of the subscription monies must be received by bank transfer, on the account of the Sub-Fund, within two (2) Business Days following the applicable Valuation Day. Fractions of shares may be issued up to five decimal places.

**Minimum additional subscription amount:**

Class EUR A shares	EUR	10,000
Class USD A shares	USD	10,000
Class EUR B shares	EUR	1,000
Class USD B shares	USD	1,000
Class CHF B shares	CHF	100
Class EUR C shares	EUR	100
Class EUR E shares	None	
Class EUR F shares	EUR	10,000
Class EUR I shares	EUR	50,000,000

**Minimum holding requirement:**

Class EUR A shares	EUR	500,000
Class USD A shares	USD	500,000
Class EUR B shares	EUR	1,000
Class USD B shares	USD	1,000
Class CHF B shares	CHF	100
Class EUR C shares	EUR	100
Class EUR E shares	None	
Class EUR F shares	EUR	500,000
Class EUR I shares	EUR	50,000,000

The Board of Directors may waive in its discretion the minimum initial subscription amount and the minimum holding requirement.

Applications must be received by the Central Administration by (noon) 12 p.m. (Luxembourg time) at the latest, on each applicable Subscription Valuation Day (or the preceding Business Day if such a day is not a Business Day). Any application received after such time is considered for the immediately following Subscription Valuation Day.

Payment of the subscription monies must be received by bank transfer, on the account of the Sub-Fund, within two (2) Business Days following the applicable Valuation Day. Fractions of shares may be issued up to five decimal places.

<b>SUBSCRIPTION CHARGE</b>	<p>A subscription charge up to 0.5% of the relevant Subscription Price may be determined by the Board of Directors as being payable and levied on the Subscription Price to compensate financial intermediaries or other persons to assist in the placement of shares may be levied.</p>
<b>REDEMPTION OF SHARES</b>	<p>Shares in each Class of the Sub-Fund are redeemable on a daily basis, based on the Net Asset Value, minus a redemption adjustment (the “<b>Redemption Price</b>”) calculated as of the daily Valuation Day (the “<b>Redemption Valuation Day</b>”).</p> <p>A redemption charge of up to 0.5% of the relevant Redemption Price may be determined by the Board of Directors as being payable and levied on the Redemption Price to compensate financial intermediaries and other persons who assist in the placement of shares.</p> <p>A written redemption request must be received by the Central Administration by (noon) 12 p.m. (Luxembourg time) at the latest, on each applicable Redemption Valuation Day (or the preceding Business Day if such a day is not a Business Day). Order received after such time is considered for the immediately following Redemption Valuation Day.</p> <p>The proceeds of redemption will normally be paid in the currency of denomination of the class concerned within two (2) Business Days after the relevant Redemption Valuation Day.</p> <p>The proceeds of redemption will normally be paid in the currency of denomination of the class concerned within two (2) Business Days after the relevant Redemption Valuation Day.</p>
<b>CONVERSION OF SHARES</b>	<p>Conversions are allowed into shares of the same class denominated in another reference currency in the Sub-Fund, or into shares of another class in the same sub-fund or from one class of the Sub-Fund into a class of another Sub-fund denominated or not in the same currency provided that the shareholder complies with the requirements of the class of share he wants to convert into .</p> <p>Conversion applications must be received by the Central Administration in the manner described above for subscriptions of shares.</p>

<b>CONVERSION OF SHARES</b>	<p>Conversions are allowed into shares of the same class denominated in another reference currency in the Sub-Fund, or into shares of another class in the same sub-fund or from one class of the Sub-Fund into a class of another Sub-fund denominated or not in the same currency provided that the shareholder complies with the requirements of the class of share he wants to convert into.</p> <p>Conversion applications must be received by the Central Administration in the manner described above for subscriptions of shares.</p>			
<b>FEES</b>	The Sub-Fund shall pay out of its assets and on a periodic basis the fees specified below:			
	Type of Share	ISIN Code	Management fee*	Performance fee**
	A EUR	LU0807706857	0,90%	Nil
	A USD	LU0807707582	0,90%	Nil
	B EUR	LU0807707749	1,80%	Nil
	B USD	LU0807708390	1,80%	Nil
	B CHF	LU2080401628	1,80%	Nil
	C EUR	LU2053090044	2%	Nil
	E EUR	LU0807708473	Nil	Nil
	F EUR	LU1541273642	Nil	Nil
	I EUR	LU1883908383	0,60%	Nil
	<p>* Maximum percentage per year of the average net assets attributable to the type of shares during the relevant period. The actual amounts charges are shown in the Company's financial report.</p> <p>**</p> <p>N/A</p>			
<b>PERFORMANCE FEE</b>	N/A			
<b>NAV PUBLICATION</b>	The Net Asset Value per Share will be available at the registered office of the Company and published on <a href="http://homacapital.fr">homacapital.fr</a>			



<b>BENCHMARK</b>	Ycap Tactical Investment is not an index sub-fund and it is actively managed. Depending on the market opportunities and the manager's expectations, the investment policy may change in time; a benchmark indicator is therefore not appropriate.
<b>SFDR</b>	The Sub-Fund promotes environmental or social characteristics within the meaning of article 8 of the SFDR Regulation (UE 2088/2019) but does not have sustainable investment as its objective as define by SFDR. Please refer to section 6.2.24 Integration of ESG factors and sustainability risksfor further information.
<b>SUSTAINABILITY RISKS</b>	HOMA CAPITAL SA considers sustainability risks in its investment strategies, however the Sub-Fund may be subject to the occurrence of an environmental, social of governance event that could cause a material negative impact on the value of an investment. In turn, the Sub-Fund's investments could also result in a potential or actual negative externality that could impact the environmental, social or governance issues Please refer to section 6.2.24 Integration of ESG factors and sustainability risks for further information.
<b>PRINCIPAL ADVERSE IMPACTS</b>	HOMA CAPITAL SA is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors, and the market, as to how financial market participants integrate consideration of the adverse impacts of their investment decisions on sustainability factors.  However, after an evaluation of article 7-1 SFDR regarding the consideration of PAIs of investment decisions on sustainability factors, HOMA CAPITAL SA has chosen regarding the nature, the size and scale of its activities, and the investment strategy of the sub-fund to not consider PAIs of investment decisions on sustainability factors.  Please refer to section 6.2.24 Integration of ESG factors and sustainability risks for further information.
<b>TAXONOMY REGULATION</b>	The Sub-Fund may invest in environmentally sustainable economic activities within the meaning of the framework of the European Regulation 2020/852. However, it does not currently have a specific environmental objective and does not commit to investing in sustainable investments that are aligned with the Taxonomy Regulation criteria. Thus, the Sub-Fund does not align its portfolio with the Taxonomy Regulation.
<b>INVESTMENT ADVISER</b>	AI FOR ALPHA is a French Financial Investment Advisor (FIA) under the meaning of "Conseiller en Investissement Financier" with headquarter in Neuilly- sur- seine (France).  AI FOR ALPHA is a member of CNCIF (Chambre Nationale des Conseillers en Investissement Financier) a professional association authorised by the Autorité des Marchés Financiers in France (french financial regulator).  The management company has set up a partnership with AI FOR ALPHA to act as financial investment advisor for the Sub-Fund YCAP TACTICAL INVESTMENT. The investment advisor has set up a proprietary model that seeks to generate trade recommendations based on artificial intelligence. The model calibration has been customized to reflect the specific requirements as defined by the management company. The investment advisor is responsible for maintaining the model and issuing trade recommendations. Hence, all ultimate investment decisions remain at the exclusive discretion and responsibility of the management company.  The strategy resulting from these investment recommendations will not be predominant in the sub-fund investments.
<b>REMUNERATION OF THE INVESTMENT ADVISER</b>	In addition the Sub-Fund shall pay out of its assets to the investment advisor a maximum of 30 bps, with a minimum flat fees of 4000 EUR per month when applicable according to the agreement between the parties. The terms applicable to the advisor's remuneration are defined in the agreement with the management company. The remuneration of the advisor must not results in an increase of the sub-fund TER (Total Expense Ratio) above 1,5%.

## APPENDIX E

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:** YCAP TACTICAL INVESTMENT

**Legal entity identifier:** 969500MW7YG6OFHPFS24

**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

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*



**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 both environmental and social characteristics. On the environmental front, the Sub-Fund promotes climate risk management. The social characteristics promoted by the Sub-Fund focus on global human rights and labour standards as well as diversity, equity and inclusion.

The Sub-Fund is invested in accordance with Homa Capital Responsible Investment Policy and favours investments into corporates with sound

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product

environmental, social and governance practices, while limiting exposure to issuers active in controversial activities, including, but not limited to controversial weapons, coal mining, adult content, tobacco and gambling.

The Sub-Fund follows relevant international sanctions to avoid exposure to controversial jurisdictions, and recommendations to combat money laundering and terrorist financing.

The Sub-Fund has not defined a benchmark with regards of attaining the sustainability characteristics.

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

ESG analysis is systematically integrated into the investment decision making process. As part of its ESG framework, the Management Company uses the following sustainability indicators to measure the achievement of each of the environmental or social characteristics promoted by the Sub-Fund:

- Absence of companies that do not meet the criteria defined in the Management Company's Exclusion List. They are deemed incompatible with the E/S promotion (for further details, please refer to HOMA CAPITAL's exclusion policy, available on our website: <https://www.homacapital.fr/>).
- Controversy Level Assessment - Controversy involvement is a key measure of ESG performance. Controversy level assessment reflects a company's level of involvement in issues and how it manages those issues.
- Compliance with the UN Global Compact - The United Nations Global Compact is the world largest corporate sustainability initiative aimed at encouraging businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.
- ESG Risks Scores: the purpose is not to provide ESG ratings, but to systematically identify and assess material ESG risks by analyzing information from public sources and stakeholders, and intentionally excluding company self-disclosures and how the company manages those risks. Companies are mapped to several ESG risks issues (e.g. : Human rights, Forced labor, Corruption, Climate change, GHG emission, biodiversity...) and several ESG risks topics (e.g. : Arctic drilling, Deep sea drilling, Biological weapons, Chemical weapons, Gender inequality, Alcohol, Gambling...) in accordance with the key international standards on ESG and business conduct such as the UNGC Principles.

The management company may rely on carefully selected independent ESG data providers

- **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:*

**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.

*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

☒ No



**What investment strategy does this financial product follow?**

The sub-fund seeks to generate capital appreciation through the construction of a diversified portfolio of global stocks, bonds, mutual funds (maximum 10% of net assets), cash and money market instruments. Exposure can be obtained through physical instruments as well as derivatives instruments (futures, forwards).

The promoted environmental and/or social characteristics as well as issuers' good governance practices are integrated in the investment strategy on a continuous basis through a commitment to systematically identify and address sustainability factors embedded in the investment and/or investment selection process. By this, the

environmental and/or social characteristics as well as issuers' good governance practices may influence a decision to either buy or increase weighting, hold or maintain weighting, sell, in order to attain the fund's characteristics. Thus, Issuer specific ESG analysis is integrated into investment process and ensures that environmental, social and governance characteristics are taken into consideration in investment decision-making process.

An exclusion filter is applied on the investment universe prior to any selection. It is based on HOMA CAPITAL's exclusion policy described in the next question. In a second step, the objective Responsible Investment is to ensure that the Sub-Fund structurally and systematically takes environmental, social and governance factors into account that can form material risks to the portfolio: ESG risk assessment.

Within this framework, the investment team builds a core portfolio constituted of stocks, corporate bonds and sovereign bonds. On top of this core portfolio, the investment manager adjusts the sub-fund's net exposure to asset classes via the use of futures contracts. Net exposure to stocks and bonds is determined by the investment manager based on proprietary models as well as internal and external research and analysis.

- ***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 binding elements of the investment strategy are The Management Company's exclusions list as implemented based on controversial activities from regulatory, normative, and sector-based standpoints, which are detailed below :

**Regulatory exclusions** aim to prevent the fund from investing in companies that negatively impact people and the society. In this case, HOMA CAPITAL specifically focuses on:

- Controversial weapons (e.g. anti-personnel mines, cluster munitions, and biological and chemical weapons)
- Money laundering
- Terrorist financing
- Tax havens

**Normative exclusions** aims at screening issuers suspected of serious and/or repeated violations of the principles of the Global Compact. The objective of normative exclusions is to successfully influence the governance practices of excluded companies so that they improve themselves in order to attract new investments. In this case, HOMA CAPITAL specifically focuses on:

- Human rights
- Labour Law
- Environmental impacts
- Professional ethics and corruption issues

**Sector-based exclusions** aim at fighting against global warming (by achieving carbon neutrality before 2050) and fight against addictions. HOMA CAPITAL will screen companies which operate either fully or partly in the following sectors and

within certain conditions:

- **Energy generation:**
  - Coal
  - Oil
  - Nuclear energy
- **Health and addiction:**
  - Tobacco
  - Gambling
  - Adult content

The table below lists the tolerance limits by products and sector:

SECTOR	Application
<b>Energy – COAL</b>	Exclusion of companies that generate more than 10% of their revenues from metallurgical and thermal coal mining activities and/or whose share of coal in the energy mix exceeds 10% (in proportion and revenues used for electricity production). On a case-by-case basis, the company is not excluded from the portfolios when the percentage of revenue generated by metallurgical coal mining activity is between 10% and 33% but the company's energy transition score is considered advanced or robust.
<b>Energy – Oil, Shale Gas &amp; Oil Sands</b>	Exclusion of companies having a revenue exposure and a proportion of reserves from unconventional oil and gas extraction (oil sands and shale) $\geq 10\%$ . Exclusion of companies involved in controversial oil and gas sources or technologies such as: Arctic and ultra-deep offshore drilling, coal seam gas, methane hydrate, hydraulic fracturing. Exclusion of companies extracting coalbed gas, except if the exploitation is done without fracturing. Companies using liquefied natural gas, an activity considered by the EU as participating in the energy transition, are tolerated in the portfolios when the energy transition score of the company is considered advanced or robust.
<b>Energy – Nuclear energy</b>	Investments limited to issuers present in a nuclear energy producing country having participated in 4 multilateral treaties (CAANUR, CC, CNRAN and CSN) => safety and security at nuclear power plants.
<b>Health and Addiction - Tobacco</b>	Exclusion of companies belonging to the ICB "Tobacco" sector. Review by the ESG Strategic Committee of companies generating more than 10% of their annual revenues from the production and sale of tobacco
<b>Health and Addiction - Gambling and betting</b>	Exclusion of companies belonging to the ICB sectors of gambling and betting. Review by the ESG Strategic Committee of companies generating more than 10% of their annual revenues in gambling and betting activities
<b>Health and Addiction – Adults content</b>	Exclusion of companies that derives more than 10% of its annual revenues from adult entertainment-related activities

The list above is a non-exhaustive set of exclusions which may evolve over time (with no prior notice)

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund does not commit to a minimum rate of reduction of the investments considered prior to the application of the investment strategy.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations,

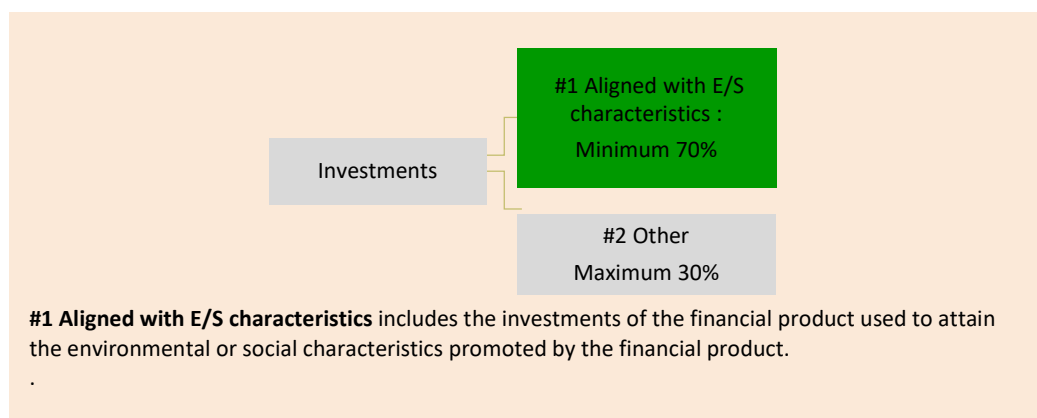
● **What is the policy to assess good governance practices of the investee companies?**

The Fund does not commit to a minimum rate of reduction of the investments considered prior to the application of the investment strategy.



**What is the asset allocation planned for this financial product?**

The Financial Product aims to plan its assets' allocation as presented in the graph below (The percentages should be understood as market values exposures and not notional exposures, the fund being subject to the use of leverage within the limit defined in the commitment approach).



**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

- This planned asset allocation might deviate on a temporary basis.

The planned minimum proportion of the investments of the Financial Product used to meet the sustainable investment objective in accordance with the binding elements of the investment strategy is 70.0 % (direct investment) of the Financial Product Net Asset value.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The use of derivatives does not participate to attain the ESG characteristics promoted by the product.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-Fund does not commit to making sustainable investments. Therefore, the Sub-Fund does not commit to a minimum of sustainable investments with an environmental objective aligned with the EU taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**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.

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

### What is the minimum share of investments in transitional and enabling activities?

0%. The Fund does not commit to a minimum share of investments in transitional and enabling activities.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%. 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?

0%.the Sub-Fund does not make sustainable investments.

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

There are three categories of investments included under “#2 Other”:

- Equity index futures, sovereign bond futures and currency futures. Those instruments are used in order to manage the fund’s overall market exposure in the most efficient manner (mostly with regards to liquidity and trading costs).
- Swap on equity and bond indices. Those instruments are used in order to manage the fund’s overall market exposure in the most efficient manner (mostly with regards to liquidity and trading costs).
- ETFs (maximum 10% of the portfolio) which doesn’t qualify to article 8 or 9 of the SFDR Regulation. These are used to provide a temporary diversified exposure to a specific market factor or segment.



- Cash and cash equivalent used for managing the liquidity of the Financial Product (being bank deposit, eligible money market instruments and money market funds) which neither qualify to article 8 or 9 of the SFDR Regulation nor fits the criteria set of ESG aligned investments.



**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?**

The UCITS does not have a benchmark.

**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:**

If you are a professional investor :

**<https://www.homacapital.fr/solutions/ycap-tactical-investment-invest/>**

If you are a private individual :

**<https://www.homacapital.fr/solutions/ycap-tactical-investment-distrib/>**

## YCAP FUND

### YCAP SEQUOIA

#### INVESTMENT OBJECTIVE OF THE SUB-FUND

The Sub-Fund will be invested in a diversified portfolio of corporate bonds, equities, ETF and UCITS funds in order to achieve optimum risk-adjusted return on capital invested.

#### INVESTMENT POLICY OF THE SUB-FUND

In order to achieve this objective the Sub-Fund seeks to capture significant performance in favorable markets environments while preserving capital in adverse configurations.

The investment policy is built around a dynamic allocation between corporate bonds, equities, ETF, including non EU ETF and UCITS funds issued principally in OCDE countries and on an ancilliary basis in emerging markets.

The Sub-Fund may invest between 0 and 100% of its net assets in corporate bonds, between 0 and 100% in equities and between 0 and 100 % in ETF, including non-EU ETF or UCITS funds.

The Sub-Fund may invest in high yield bonds up to 100% of its net assets.

If the manager perceives that the equity markets are undervalued, he may increase the equity exposure up to 100%. In case of fears of recession that could impact the financial performance of companies, the manager may invest in government bonds up to 100%. To express his views on market trends (equity, interest rate, credit, geographical and sectoral exposures), the manager may take exposure via futures contracts or funds up to 100%.

The Sub-Fund may invest into contingent convertible securities ("CoCos") up to 20% of its net assets.

The Sub-Fund may invest up to 100% of its net assets in index futures contracts based on fixed income or equities indices and used for hedging purposes or to get exposure to these equities or indices and options based on indices or stocks.

The Sub-Fund will not invest in asset back securities (ABS) and/or mortgage back securities (MBS).

Capital allocation revolves around researching the best combinations of strategies, asset classes and investment horizons according to market conditions.

Determination of the underlying asset classes and capital allocation across them falls under the exclusive competence of the asset manager.

The latter's analysis is primarily organized around two approaches:

- A first fundamental and macroeconomic approach ("top-down") aiming at identifying the asset classes that should be overweighted at all times
- A second, "bottom-up" approach enabling the asset manager to identify, within each asset class, the underlying securities deemed most attractive, i.e. with the best risk-return profile at all time.

This Sub-Fund may use derivatives for the purpose of currency hedging.

The maximum level of exposure is 100% of the value of the portfolio.

#### **Use of securities financing transactions and total return swaps**

The Sub-Fund will not use for the time being securities financing transactions and total return swaps as defined in 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.

This Sub-Fund Particular will be amended prior to the use of such transactions and instruments should the Sub-Fund intend to use them.

<b>INVESTOR TYPE PROFILE</b>	<p>YCAP SEQUOIA is an investment vehicle dedicated to investors who wish to achieve a steady performance in favorable markets environments while preserving capital in adverse configurations.</p> <p>The Sub-Fund is reserved to investor(s) as specifically approved by the Board of Directors.</p>
<b>RISK FACTORS</b>	<p>Investors should carefully read the Section 6. "Risks" of this Prospectus before investing in the Sub-fund</p> <p>Principal risks associated with investing in this sub-fund relate to the following elements more fully described in Section 6. "Risks" of this Prospectus.</p> <p>Market Risk Currency risk</p> <p>Equity securities Derivatives Debt securities Investment in ETF Investment in funds Investment in contingent convertible bonds</p>
<b>RISK APPROACH</b>	Commitment
<b>INVESTMENT MANAGER</b>	HOMA CAPITAL SA
<b>REFERENCE CURRENCY</b>	EUR
<b>OTHER DENOMINATION CURRENCY</b>	Not available
<b>LAUNCH DATE OR INITIAL SUBSCRIPTION PERIOD</b>	2 March 2018
<b>INITIAL OFFER PERIOD OR INITIAL OFFER DAY</b>	N/A
<b>SUB-FUND SUBSCRIPTION DEADLINE</b>	N/A

<b>INITIAL PRICE</b>	N/A
<b>CLASS OF SHARES</b>	<p>Class EUR A shares  Class USD A shares*  Class EUR C shares  Class USD C shares*</p> <p>*Hedged Share Class</p>
<b>VALUATION DAY</b>	<p>Shares of each Class of the Sub-Fund are issued daily, at the relevant Net Asset Value per share (the “<b>Subscription Price</b>”) as determined as of each Valuation Day, on the basis of the last available closing prices in Luxembourg. The effective calculation of this daily Net Asset Value is effected on the Business Day following the Valuation Day.</p>
<b>LISTING</b>	NO
<b>APPLICATION FOR SHARES</b>	<p>Shares in the Sub-Fund are issued on a daily basis.</p> <p>Investment in Shares of the Sub-Fund shall be subject to the following <b>minimum initial subscription requirements</b>:</p> <p><b>Minimum initial subscription amount:</b></p> <p>Class EUR A shares: EUR 100,000  Class USD A shares: USD 100,000  Class EUR C shares: EUR 10,000  Class USD C shares: USD 10,000</p> <p><b>Minimum additional subscription amount:</b></p> <p>Class EUR A shares: EUR 10,000  Class USD A shares: USD 10,000  Class EUR C shares: EUR 10,000  Class USD C shares: USD 10,000</p> <p><b>Minimum holding requirement:</b></p> <p>Class EUR A shares: EUR 100,000  Class USD A shares: USD 100,000  Class EUR C shares: EUR 10,000  Class USD C shares: USD 10,000</p>

	<p>The Board of Directors may waive in its discretion the minimum initial subscription amount and the minimum holding requirement.</p> <p>Applications must be received by the Central Administration by (noon) 12 p.m. (Luxembourg time) at the latest, on each applicable Subscription Valuation Day (or the preceding Business Day if such a day is not a Business Day). Any application received after such time is considered for the immediately following Subscription Valuation Day.</p> <p>Payment of the subscription monies must be received by bank transfer, on the account of the Sub-Fund, within two (2) Business Days following the applicable Subscription Valuation Day. Fractions of shares may be issued up to five decimal places.</p>												
SUBSCRIPTION CHARGE	<p>A subscription charge up to 5% of the relevant Subscription Price may be determined by the Board of Directors as being payable and levied on the Subscription Price to compensate financial intermediaries or other persons to assist in the placement of shares may be levied.</p>												
REDEMPTION OF SHARES	<p>Shares in each Class of the Sub-Fund are redeemable on a daily basis, based on the Net Asset Value, calculated as of the daily Valuation Day (the “Redemption Valuation Day”).</p> <p>A written redemption request must be received by the Central Administration by (noon) 12 p.m. (Luxembourg time) at the latest, on each applicable Redemption Valuation Day (or the preceding Business Day if such a day is not a Business Day). Order received after such time is considered for the immediately following Redemption Valuation Day.</p> <p>The proceeds of redemption will normally be paid in the currency of denomination of the class concerned within two (2) Business Days after the relevant Redemption Valuation Day.</p>												
CONVERSION OF SHARES	<p>Conversions are allowed into shares of the same class denominated in another reference currency in the Sub-Fund, or into shares of another class in the same sub-fund or from one class of the Sub-Fund into a class of another Sub-fund denominated or not in the same currency provided that the shareholder complies with the requirements of the class of share he wants to convert into .</p> <p>Conversion applications must be received by the Central Administration in the manner described above for subscriptions of shares.</p>												
FEES	<p>The Sub-Fund shall pay out of its assets and on a periodic basis the fees specified below:</p> <table><tr><th>Type of shares</th><th>ISIN Code</th><th>Management fee*</th><th>Performance Fee**</th></tr><tr><td>A EUR</td><td>LU 1744467926</td><td>0,45%</td><td>10% of the performance above the hurdle rate fixed at 5% subject to HWM</td></tr><tr><td>A USD</td><td>LU1744468064</td><td>0,45%</td><td>10% of the performance above the hurdle rate fixed at 5% subject to HWM</td></tr></table>	Type of shares	ISIN Code	Management fee*	Performance Fee**	A EUR	LU 1744467926	0,45%	10% of the performance above the hurdle rate fixed at 5% subject to HWM	A USD	LU1744468064	0,45%	10% of the performance above the hurdle rate fixed at 5% subject to HWM
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A USD	LU1744468064	0,45%	10% of the performance above the hurdle rate fixed at 5% subject to HWM										

	C EUR	LU1744468148	0,90%	10% of the performance above the hurdle rate fixed at 5% subject to HWM
	C USD	LU1744468221	0,90%	10% of the performance above the hurdle rate fixed at 5% subject to HWM
	<p>* Maximum percentage per year of the average net assets attributable to the type of shares during the relevant period. The actual amounts charges are shown in the Company's financial report.</p> <p>** The Performance Fee is applied as from the launch date.</p>			

<b>PERFORMANCE FEE</b>	<p>In addition to the Management Fee, the Management Company will be entitled to a Performance Fee with respect to each Performance Period.</p> <p>The Management company will receive a Performance fee, payable annually, equal to 10% above the hurdle rate as define below of the appreciation of the Gross Net Asset Value per share (being the Net Asset Value per share before the accrual of Performance Fees) of a Class if it is greater than the HWM as defined below.</p> <p>The Performance Fee in respect of each Class shall be calculated and shall accrue (if applicable) at each Valuation Day during each Performance Period, with such accrual being reversed to reflect a reduction in performance in any such period.</p> <p>The High Watermark (the "HWM") is the highest Net Asset Value (after deduction for the avoidance of doubt of any Performance Fee to be paid) reached by such Share class as at the end of any preceding Performance Periods. At the end of the period, if a performance fee is due, the HWM will be equal to the last Net Asset Value of the preceding year. If at the end of the Performance Period, no Performance Fee is due, the HWM for the following Performance Period would remain unchanged.</p> <p>If Performance Fee is activated during the existence of the Sub-Fund, the initial HWM for the following years would be equal to the highest historical previous Net Asset Value.</p> <p>In case of redemption, the performance fee accrued (if any) attributable to shares redeemed within the financial year is deemed fully earned. Such performance feewill be crystallized at the redemption date and paidannually to the Management Company.</p> <p>The Performance Period for a Class shall commence on 1st January of each year and end on 31 December of that same year.</p> <p>The first Performance Fee period shall nevertheless commence from the date of Performance Fee activation and end on December, 31st of that same year. Following Performance Fee periods shall commence from January, 1st and end on December, 31st of that same year.</p> <p>Investors may be advantaged or disadvantaged as a result of this calculation method, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes relative to the overall performance of the Class during the relevant Performance Period.</p>
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Investors should further note that, in the case where they have redeemed their shares before the end of any Performance Period, any accrued but unpaid Performance Fee will be kept and paid to the Management Company, even if this Performance Fee would not have been paid at the end of the said period, if the redemption had not occurred.

### ILLUSTRATIVE EXAMPLE

The performance of year 1 will be measured against the performance of the starting nav of the class (100) at the end of year 0. At the end of year 1, the Sub-Fund shows a performance of 7%. The interest rate to exceed to be able to trigger a performance fee ("HURDLE RATE") is 5% and there is no underperformance from previous years to compensate. There is therefore a performance of 2 % which will grant the payment of an annual performance fee of 0.20% calculated based on the following:

$(107-100)/100 = 7\%$  (gross performance)  
 $7\% - 5\% = 2\%$  (performance over hurdle rate)  
 $10\% * 2\% = 0,20\%$  (performance fee calculation)

- The performance of year 2 will be measured against the performance of the ending NAV of year 1. At the end of year 2, the Sub-Fund shows a performance of 7.48%. The interest rate to exceed to be able to trigger a performance fee ("HURDLE RATE") is 5% and there is no underperformance from previous years to compensate. There is therefore a performance of 2.48% which will grant the payment of an annual performance fee of 0.248% calculated based on the following:

$(115-107)/107 = 7,48\%$  (gross performance)  
 $7,48\% - 5\% = 2,48\%$  (performance over hurdle rate)  
 $10\% * 2,48\% = 0,248\%$  (performance fee calculation)

- In year 3 performance will be measured against the HWM performance which increased to 115 at the end of year 2. At the end of year 3, the Sub-Fund shows an underperformance of -4.34%. The interest rate to exceed to be able to trigger a performance fee ("HURDLE RATE") is 5% and there is no underperformance from previous years to compensate. There is therefore an underperformance that will not grant the payment of the annual performance fee. The loss is carried over from year 3 for future years, which means that the Sub-Fund must first compensate for its underperformance before paying the annual performance fee.
- The performance of year 4 will be measured against the performance of the historical highest HWM that was recorded at the end of year 2. At the end of year 4, the Sub-Fund shows a performance of 9.09% and interest rate to be exceeded to trigger a performance fee ("HURDLE RATE") is 5% and there is underperformance from previous years to compensate. There is therefore a performance of 4.09% which will not grant the payment of the annual performance fee because the underperformance of previous years is greater in accordance with the following calculation:

$(120-110)/110 = 9,09\%$  (gross performance)  
 $9,09\% - 5\% = 4,09\%$  (performance over hurdle rate)  
 $4,09\% - 4,34\% = -0,27\%$  (calculation with underperformance to compensate)

- The losses carried forward for the next financial year are 0.27% and the new reference HWM is 120.

<b>BENCHMARK</b>	Ycap Sequoia is not an index Sub-Fund and it is actively managed. Depending on the market opportunities and the manager's expectations, the investment policy may change in time; a benchmark indicator is therefore not appropriate.
<b>SFDR</b>	<p>The sub-fund does not promote environmental or social characteristics and does not have sustainable investment as its objective as define by SFDR.</p> <p>Please refer to section 6.2.24 Integration of ESG factors and sustainability risksfor further information.</p>
<b>SUSTAINABILITY RISKS</b>	<p>HOMA CAPITAL SA invests in compagnies/ issuers regardless of potential ESG impacts Due to the nature of the fund's investment objective, sustainability risks are not relevant.</p> <p>HOMA CAPITAL SA considers that the application of ESG criteria to its investment process narrows the investment universe and therefore excludes certain issuers, which leads the Management Company to ignore investment opportunities that offer attractive risk-adjusted return opportunities</p> <p>Please refer to section 6.2.24 Integration of ESG factors and sustainability risksfor further information.</p>
<b>PRINCIPAL ADVERSE IMPACTS</b>	<p>HOMA CAPITAL SA is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors, and the market, as to how financial market participants integrate consideration of the adverse impacts of their investment decisions on sustainability factors.</p> <p>However, after an evaluation of article 7-1 SFDR regarding the consideration of PAIs of investment decisions on sustainability factors, HOMA CAPITAL SA has chosen regarding the nature, the size and scale of its activities, and the investment strategy of the sub-fund to not consider PAIs of investment decisions on sustainability factors.</p> <p>Please refer to section 6.2.24 Integration of ESG factors and sustainability risks for further information.</p>
<b>TAXONOMY REGULATION</b>	In accordance with EU regulation 2020/852 the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
<b>NAV PUBLICATION</b>	The Net Asset Value per Share will be available at the registered office of the Company and published on



## APPENDIX F

### DISTRIBUTION IN SWITZERLAND

Distribution in Switzerland	
YCAP Tactical Investment	
The distribution of Shares in Switzerland will be exclusively made to, and directed at, qualified investors (the “Qualified Investors”), as defined in the Swiss Collective Investment Schemes Act of 23 June 2006, as amended (“CISA”) and its implementing ordinance (the “Swiss Distribution Rules”). Accordingly, the Fund has not been and will not be registered with the Swiss Financial Market Supervisory Authority (FINMA).	
<b>REPRESENTATIVE</b>	The representative in Switzerland is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland.
<b>PAYING AGENT</b>	The paying agent in Switzerland is La Banque Cantonale de Genève ,17, quai de l’Ile, 1204 Geneva, Switzerland.
<b>LOCATION WHERE THE RELEVANT DOCUMENTATION CAN BE OBTAINED</b>	The Prospectus, the Articles of Association and [annual and semi-annual report, if any] [annual financial statements] can be obtained free of charge from the representative in Switzerland.
<b>PLACE OF PERFORMANCE AND JURIDICTION</b>	The place of performance and jurisdiction is the registered office of the representative in Switzerland with regards to the Shares distributed in and from Switzerland.
<b>PAYMENT OF RETROCESSIONS</b>	Regarding the distribution in Switzerland, the Fund Manager and its agents may pay retrocessions for distribution activities to distributors or distribution partners. The beneficiaries of the retrocessions guarantee transparent communication. They shall inform investors free of charge of the amount of the remuneration they may receive for distribution. At the request of investors, they shall disclose the amounts actually received for the distribution of collective investment schemes to investors.
<b>PAYMENT OF REBATES</b>	The Fund/Management Company and its agents, in respect of distribution activity in or from Switzerland do not pay any rebates aiming at reducing fees and costs incurred by the investor and charged to the Fund.