



ISSUING DOCUMENT

June 2016

APHILION SIF

Société d'investissement à capital variable - Fonds d'investissement spécialisé

APPLICATIONS FOR SUBSCRIPTION WILL BE RESERVED TO WELL-INFORMED INVESTORS WHO/WHICH ARE NOT RESTRICTED PERSONS. MARKETING OF SHARES IN THE EU UNDER THE PASSPORT IN ACCORDANCE WITH ARTICLE 30 OF THE 2013 ACT IS LIMITED TO PROFESSIONAL INVESTORS. EACH INVESTOR WILL HAVE TO MAKE THEIR OWN ASSESSMENT OF THE CONDITIONS OF THEIR PARTICIPATION IN THE COMPANY.

IT IS THE RESPONSIBILITY OF THE INVESTORS TO DETERMINE WHETHER A PARTICIPATION IN THE COMPANY IS SUITABLE FOR THEM OR NOT.

Important information

Aphilion SIF (the **Company**) is offering Shares of several separate Sub-Funds on the basis of the information contained in this Issuing Document and in the documents referred to herein.

The Company is subject to part II of 2007 Act and authorised as an internally managed AIF under the 2013 Act.

The Company is a public limited liability company (*société anonyme*) under the 1915 Act. The Company is managed by its Board.

The admission of the Company to the official list of special investment funds does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the content of the Issuing Document or the assets held in any Sub-Fund. Any representations to the contrary are unauthorised and unlawful.

Restrictions on holding Shares under the 2007 Act, the Articles and this Issuing Document

Shares are reserved for Well-Informed Investors who are not Restricted Persons.

The Company will refuse to issue Shares to a person that does not qualify as a Well-Informed Investor or that according to the Board is a Restricted Person. The Company will furthermore refuse any Transfer that would result in Shares being held by a person that is not a Well-Informed Investor or that is a Restricted Person.

The Company is entitled to compulsorily redeem Shares held by such a person.

Shares – Sub-Funds – Classes – Net Asset Value

Shares to be issued hereunder will be issued in several separate Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund that is invested in accordance with the investment objective applicable to that Sub-Fund. As a result, the Company is an “umbrella fund” enabling Investors to choose between one or more investment policies. Investors may choose which one or more Sub-Fund(s) may be most appropriate for their specific risk and return expectations as well as their diversification needs.

Furthermore, in accordance with the Articles, the Company may resolve to issue Shares of different Classes. Within each Sub-Fund, Investors may choose the alternative Class features which are most suitable to their individual circumstances, given, *inter alia*, their qualification, the subscribed amount, the currency of the relevant Class and the fee structure of that Class.

The Company may, at any time, create additional Sub-Funds and Classes. Upon creation of an additional Sub-Fund or Class, the Issuing Document will be updated or supplemented accordingly.

Marketing of Shares

Shares are marketed in Luxembourg to any Well-Informed Investors who are not Restricted Persons.

Shares are marketed to Professional Investors in those EU Member States where a notification under article 30 of the 2013 Act has been made.

Marketing of Shares outside the EU or in the EU to Investors other than Professional Investors must comply with applicable national private placement regimes. Such Investors are required to inform themselves on the conditions imposed by their local rules before investing in the Company and to assess the impact and the risks they may be exposed to when investing into the Company. This Issuing Document has been provided to those Investors upon their own request.

The Issuing Document does not constitute an offer or solicitation in jurisdictions where no marketing is authorised or notified Shares or where it is unlawful to make an offer or a solicitation of Shares.

It is the responsibility of any person in possession of the Issuing Document and of any person wishing to subscribe for Ordinary Shares to inform themselves of and to observe all applicable laws and regulations of the relevant jurisdictions. Furthermore, it is the responsibility of any recipient of this Issuing Document to confirm and observe all applicable laws and regulations. Notwithstanding anything to the contrary herein, each Shareholder (and each employee, representatives, or other agent of such Shareholder) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (a) the Company and (b) any of its transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the shareholder relating to such tax treatment and tax structure.

Structure of the Issuing Document

Part A provides general rules to be applied to the Company and to each Sub-Fund.

Part B provides specific rules applicable for a relevant Sub-Fund.

DIRECTORY

Registered office

6B, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Board

Nico Goethals, Chairman, Brussels/Senningerberg
Jan Holvoet, Director, Brussels/Senningerberg
Yves Jacobé de Naurois, Director, Senningerberg

Conduct of daily management

Portfolio management:

Jan Holvoet, Brussels/Senningerberg
Yves Jacobé de Naurois, Senningerberg
Nico Goethals, Brussels/Senningerberg

Risk management:

Martin Ewen, Senningerberg

Depository and Administrator

BNP Paribas Securities Services acting through its Luxembourg branch
33, rue de Gasperich
L-5829 Hesperange
Grand Duchy of Luxembourg

Prime Brokers for CFD and other financial derivative instruments

Newedge UK Financial Limited
10 Bishops Square
London E1 6EG
United Kingdom

Morgan Stanley & Co. International plc
25 Cabot Square,
Canary Wharf, London E14 4QA
United Kingdom

Auditor

KPMG Audit
31, allée Scheffer
L-2510 Luxembourg
Grand Duchy of Luxembourg

Legal adviser

Dechert (Luxembourg) LLP
1, Allée Scheffer
L-2017 Luxembourg
Grand Duchy of Luxembourg

Definitions

1915 Act	the Luxembourg act of 10 August 1915 on commercial companies as amended from time to time
1993 Act	the Luxembourg act of 5 April 1993 on the financial sector, as amended from time to time
2005 Act	the Luxembourg act of 21 June 2005 on taxation of savings income in the form of interest payments, as amended from time to time
2007 Act	the Luxembourg act of 13 February 2007 on specialised investment funds, as amended from time to time
2013 Act	the Luxembourg act of 12 July 2013 on alternative investment funds, as amended from time to time
Administration Cooperation Directive	Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation
Administrator	the central administrator, registrar and transfer agent which is BNP Paribas Securities Services acting through its Luxembourg branch with registered office at 33, rue de Gasperich, L-5826 Hesperange
AIF	alternative investment fund in meaning of article 1(39) of the 2013 Act
AIFM	alternative investment fund manager in meaning of article 1(46) of the 2013 Act
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council on alternative investment fund managers
Algorithm Owner	the owner of an algorithm which is made available to the Board to manage the portfolio of a Sub-Fund as further described in the relevant Section of Part B
Annual Report	the annual report of the Company in the meaning of article 52 of the 2007 Act
Articles	the articles of incorporation of the Company, as amended from time to time
Base Net Asset Value	the Net Asset Value at which a relevant subscription has initially occurred, modified at crystallization date in order to take

	equalization credit or deficit into account
Board	the board of directors of the Company
Business Day	each day on which the banks are open for general business in Luxembourg
Clause	any clause in the Issuing Document
Class	different types of Shares which are issued within a Sub-Fund where specific features with respect to placing, conversion or redemption charge, minimum subscription amount, dividend policy or other specific features may be applicable
Commission Delegated Regulation	Commission Delegated Regulation No 231/2013 of 19 December 2013 supplementing the AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
Company	Aphilion SIF, a Luxembourg investment company with variable capital – specialised investment fund (<i>société d'investissement à capital variable – fonds d'investissement spécialisé</i>)
Company's Consent	written consent (which shall include electronic mail or other electronic communication and may consist of one or more documents (including “pdf” type electronic mail attachments) in similar form each signed by one or more of the Shareholders) of the Shareholders who together exceed 50% of the voting rights of the Company at the relevant time
CFD	any contract for difference
CRS	Common Reporting Standard
CSSF	the <i>Commission de Surveillance du Secteur Financier</i>
Depository	the depository in the meaning of article 19 of the 2013 Act and the paying agent which is BNP Paribas Securities Services acting through its Luxembourg branch with registered office at 33, rue de Gasperich, L-5826 Hesperange
Director	any member of the Board
Equalisation Credit	the excess amount to be paid when a relevant subscription occurred at a time when the Net Asset Value exceeds the Peak Net Asset Value and which is equal to the Performance Fee percentage of the difference between the Gross Asset Value and the Peak Asset Value

Equalisation Deficit	the amount with respect to any appreciation from the Base Net Asset Value up to the Peak Net Asset Value which will be taken into account when a relevant subscription occurred at a time when the Net Asset Value is below the Peak Net Asset Value
EEA	European Economic Area which encompasses the EU, Iceland, Liechtenstein and Norway
ETF	exchanged-traded funds which are stock-listed shares which represent a diversified and liquid portfolio of stocks
EU	European Union – Iceland, Liechtenstein and Norway as member states of the European Economic Association (EEA) assimilated to the EU member states within the limits of the treaties and agreements between the EU and the EEA
EUR	Euro, the single currency of the participating Member States of the European Economic and Monetary Union
Financial Instruments	financial instruments as defined in section B of annex II of the 1993 Act and which includes transferable securities, money market instruments, units or shares of UCIs and financial derivative instruments
General Meeting	the general meeting of Shareholders either of the Company or of a relevant Sub-Fund or Class
Handbook of Policies	the handbook of policies which sets the policies and procedures to operate the Company in accordance with the 2013 Act
Initial Subscription Period	the initial period where Shares can be subscribed at the Initial Subscription Price as described for each Sub-Fund in Part B of the Issuing Document
Investor	any person who contemplates to subscribe for Shares and, where the context requires, shall include that person as a Shareholder
Issuing Document	this issuing document, as it may be amended from time to time
Liquid Asset	cash or cash equivalents including money market funds, time deposits and money market instruments the remaining maturity of which is less than 397 days, treasury bills and bonds issued by OECD member countries or their local authorities or by supranational institutions and organisations with the EU, regional or worldwide scope as well as bonds admitted to official listing on a stock exchange or dealt on a regulated market, issued by first-class issuers and highly liquid

Luxembourg Law	applicable laws and regulations in the Grand Duchy of Luxembourg
Mémorial	<i>Mémorial C, Recueil des Sociétés et Associations</i>
Net Asset Value	the net asset value of a Sub-Fund as determined in accordance with the Articles and the Specific Part of the Issuing Document
OECD	the Organization for Economic Cooperation and Development
Part A	the general part of the Issuing Document which describes the common characteristics and rules applicable for all Sub-Fund
Part B	the specific part of the Issuing Document which describes the particular characteristics and the particular rules for a relevant Sub-Fund
Peak Net Asset Value	the Net Asset Value which is the highest among at each crystallization date (i.e., the date when the Performance Fee is paid)
Performance Fee	the performance fee calculated and payable by a relevant Sub-Fund and which is described in Part B
Prime Brokers	the prime brokers appointed by the Company and by the Depositary as described in Clause 5 of Part A
Prime Brokerage Agreements	the contractual arrangements in place between the Company and any Prime Broker
Professional Investor	any professional investor in the meaning of Annex B of the 1993 Act
Redemption Fee	the redemption fee which may be charged on the redemption of Shares as further determined for the relevant Sub-Fund in its Section of Part B
Redemption Price	the price to receive when redeeming a Share decreased, as the case may be, by any charges, costs, expenses, taxes and Redemption Fee as further described for the relevant Sub-Fund in its Section of Part B
Reference Currency	the reference currency of the Company, a Sub-Fund or Class
Regulated Market	a market which operates regularly and which is open to the public
Restricted Person	A restricted person in the meaning of article 11 of the Articles

Savings Directive	Directive 2003/48/EC of the European Parliament and of the Council on taxation of savings income in the form of interest payments
Section	any section of Part B dedicated to a relevant Sub-Fund
Share	any share with no par value issued by the Company, a relevant Sub-Fund or Class
Shareholder	any holder of Share(s)
Sub-Fund	separate portfolio of assets established for one or more Classes of Shares which is invested in accordance with a specific investment objective as described in Part B of the Issuing Document; a Sub-Fund has no legal existence distinct of the Company; however each Sub-Fund is liable only for the debts, liabilities and obligations attributable to it
Sub-Fund's Consent	written consent (which shall include electronic mail or other electronic communication and may consist of one or more documents (including "pdf" type electronic mail attachments) in similar form each signed by one or more of the Shareholders) of the Shareholders who together exceed 50% of the Shares issued by the relevant Sub-Fund at the relevant time
Subscription Fee	the subscription fee which may be charged on the issuance of Shares as further determined for the relevant Sub-Fund in its Section of Part B
Subscription Price	the price to pay when subscribing a Share increased, as the case may be, by a Subscription Fee as further described for the relevant Sub-Fund in its Section of Part B
UCI	any type of undertakings for collective investment either under Luxembourg Law or under any other law
USD	United States Dollars, the currency of the United States of America
Valuation Day	each day on which the Net Asset Value is determined in accordance with the Articles and the Issuing Document
Well-Informed Investor	a well-informed investor as defined in article 2 of the 2007 Act

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PART A – GENERAL INFORMATION

1. INVESTMENT OBJECTIVES, RESTRICTIONS AND POLICIES

Investment Objective

- 1.1. The objective of the Company is to achieve for the Shareholder an optimum return from investments in eligible assets under the 2007 Act, while reducing investment risk through diversification. The Company has as investment objective to achieve, within the investment policy specified for each Sub-Fund, an attractive return on invested assets and to generate returns through active management of the assets.
- 1.2. Each Sub-Fund is authorised to make use of financial derivative instruments including, amongst others, options, futures, CFD and forward contracts and options on such contracts as well as swap contracts by private agreement on any type of instruments including credit default swaps. Financial derivative instruments must be dealt on a Regulated Market or contracted by private agreement with first class professionals specialised in this type of transactions.

Investment Restrictions

Introduction

- 1.3. Each Sub-Fund has to comply with the investment restrictions within a period of time determined for each Sub-Fund in the relevant Section of Part B.
- 1.4. A Sub-Fund may be subject to additional investment restrictions set out in the relevant Section of Part B.

Risk spreading

- 1.5. Each Sub-Fund is subject to the following risk spreading requirements:
 - (a) A Sub-Fund will, in principle, not invest more than 30% of its GAV in any Investment of the same nature issued by the same entity.
 - (b) The restriction set forth in the previous paragraph is not applicable to Investments
 - (i) issued or guaranteed by a member state of the OECD or by one of its local authorities or by supranational institutions and organisations with European, regional or worldwide scope;
 - (ii) issued by an exchange-traded fund (ETF) whose underlying portfolio is diversified in the meaning of the 2007 Act; or
 - (iii) issued by an open-ended UCI if the latter is subject to similar diversification as required by the 2007 Act.

Rules for uncovered sales of securities

- 1.6. Short sales may, in principle, not result in a Sub-Fund holding:
- (a) Uncovered position on securities which do not qualify as transferable securities. However, each Sub-Fund may hold uncovered positions on securities which do not qualify as transferable securities if such securities are highly liquid and do not represent more than 10% of the Sub-Fund's assets; and
 - (b) Uncovered position on transferable securities which represents more than 30% of the transferable securities of the same nature issued by the same issuer; however, if such transferable securities adopts the form of a shares issued by an exchange-traded fund (ETF) whose underlying portfolio is diversified in the meaning of the 2007 Act and which is highly liquid, this restriction is not applicable.
- 1.7. The commitments arising from uncovered sales on transferable securities at a given time correspond to the cumulative non-realised losses resulting, at that time, from the uncovered sales made by a Sub-Fund. The non-realised loss resulting from an uncovered sale is the positive amount equal to the market price at which the uncovered position can be covered less the price at which the relevant transferable security has been sold uncovered.
- 1.8. The aggregate commitments of each Sub-Fund resulting from uncovered sales may not exceed in principle 50% of the net assets of the relevant Sub-Fund. If a Sub-Fund enters into uncovered sales, it must hold sufficient assets enabling it at any time to close the open positions resulting from such uncovered sales.
- 1.9. The uncovered positions of transferable securities for which a Sub-Fund holds adequate coverage are not considered for the purpose of calculating the total commitments referred to above. It is to be noted that the fact that a Sub-Fund has granted a security, of whatever nature, on its assets to third parties to guarantee its obligations towards such third parties, is not to be considered as adequate coverage for the Sub-Fund's commitments, from the point of view of that Sub-Fund.
- 1.10. In connection with uncovered sales on transferable securities, each Sub-Fund is authorised to enter, as borrower, into securities lending transactions with first class professionals specialised in this type of transactions. The counterparty risk resulting from the difference between (i) the value of the assets transferred by a Sub-Fund to a lender as security in the context of the securities lending transactions and (ii) the debt of a Sub-Fund owed to such lender may not exceed 30% of the Sub-Fund's assets. It is to be noted that the Sub-Fund may, in addition, grant guarantees in the context of systems of guarantees which do not result in a transfer of ownership or which limit the counterparty risk by other means.

Use of short term credit facilities

- 1.11. The Company is allowed to use for each Sub-Fund credit facilities on a short term basis to cover a temporary shortage of liquidity.

- 1.12. The use of these credit facilities should in principle not exceed 25% of the Net Asset Value.

Restrictions on financial derivative instruments

- 1.13. Margin deposits in relation to financial derivative instruments dealt on a Regulated Market and commitments arising from financial derivative instruments contracted by private agreement (other than CFD) may not exceed 50% of the assets of any Sub-Fund.
- 1.14. The reserve of Liquid Assets of a Sub-Fund must represent at least an amount equal to the margin deposits made by this Sub-Fund;
- (a) A Sub-Fund may not borrow to finance margin deposits;
 - (b) The premiums paid for the acquisition of options and in relation to credit default swaps outstanding are included in the 50% limit referred to under Clause 1.13 above; and
 - (c) A Sub-Fund must ensure an adequate spread of investment risks by sufficient diversification.
- 1.15. When dealing with CFD, no regular margining in the meaning of Clause 1.13 is required but a brokerage fee is paid when entering into the CFD. There is no exchange of nominal amounts – only the difference between the price of the underlying asset at the beginning of the CFD and its price at the end of the CFD is paid. The exposure with CFD is measured by the market value of the underlying asset which contributes to the leverage of the relevant Sub-Fund which cannot exceed the limits set in Clause 1.21.

Restrictions on securities lending

- 1.16. A Sub-Fund may enter into securities lending, provided that the following conditions are complied with:
- (a) Each Sub-Fund may only lend or borrow securities within the framework of a standardised lending system organised by a recognised securities clearing system or a first class financial institution, which specialises in this type of transaction. In the context of securities lending operations, each Sub-Fund must, in principle, receive collateral the value of which must, at the time of the conclusion of the loan contract, be at least equal to the global estimated value of the securities which have been lent.
 - (b) Upon the approval of the Board, the collateral may consist of:
 - (i) Liquid Assets,
 - (ii) Securities issued or guaranteed by a Member State of the OECD or by their local authorities, or by supranational institutions and organisations with EU, regional or worldwide scope and blocked in the name of the Sub-Fund until the expiry of the contract,

- (iii) Shares listed on a Regulated Market issued by an issuer with a rating considered by the Board as acceptable, such shares are either entered into an escrow account in the name of the relevant Sub-Fund until the expiry date of the contract, or provided as guarantee of a highly rated financial institution blocked in favour of the Sub-Fund until the expiry date of the contract. Such a guarantee will not be required if the securities lending transaction is made through Central Depositories or through any other organisation assuring the lender a reimbursement of the value of the securities lent, by way of a guarantee or otherwise.
- (c) Lending transactions may generally not be entered into in respect of more than 50% of the total estimated value of the securities in the portfolio and may not be for a period exceeding 30 days. These limitations that lending transactions may not be entered into in respect of more than 50% of the total estimated value of the securities in the portfolio and cannot extend beyond a period of 30 days are not applicable where a Sub-Fund has the right to terminate the securities lending operations contract at any time and to obtain restitution of the securities which have been lent.

Sale with right of repurchase transactions (opérations à réméré) and repurchase transactions (opérations de mise en pension).

- 1.17. A Sub-Fund may enter into sale with right of repurchase transactions which consist in the purchase and sale of securities where the terms reserve the right to the seller to repurchase the securities from the purchaser at a price and at a time agreed between the two parties at the time when the contract is entered into. Each Sub-Fund can also enter into repurchase transactions which consist in transactions where, at maturity, the seller has the obligation to take back the asset sold (mise en pension) whereas the original buyer either has a right or an obligation to return the asset sold (mise en pension).
- 1.18. Each Sub-Fund can either act as buyer or as seller in the context of the aforementioned transactions. Its participation in the relevant transactions is however subject to the following rules:
 - (a) Rules to bring the transactions to a successful conclusion
 - (i) Each Sub-Fund may participate in sale with right of repurchase transactions or repurchase transactions only if the counterparties in such transactions are first class professionals specialised in this type of transactions.
 - (b) Conditions and limits of the transactions
 - (i) During the lifetime of a sale with right of repurchase agreement where a Sub-Fund acts as purchaser, it may not sell the securities which are the subject of the contract before the counterparty has exercised its right to repurchase the securities or until the deadline for the repurchase has expired, unless the Sub-Fund has other means of coverage (including in particular Liquid Assets). Each Sub-Fund

makes sure to keep the importance of such transactions at a level such that it is at all times able to meet its repurchase obligation. The same conditions are applicable in the case of a repurchase transaction on the basis of a purchase and firm sale where a Sub-Fund acts as purchaser (transferee).

- (ii) In case where a Sub-Fund acts as seller (transferor) in a repurchase transaction, the Sub-Fund may not, during the whole lifetime of the contract, sell the ownership or pledge to a third party, or realise a second time, in any other form, the securities sold. Each Sub-Fund makes sure that it holds at the maturity of the repurchase transactions sufficient assets to pay, if appropriate, the agreed upon repurchase price payable to the transferee.

Restriction on total leverage

- 1.19. In accordance with Commission Delegated Regulation, leverage of each Sub-Fund is expressed as the ratio between the exposure of that Sub-Fund and its Net Asset Value.
- 1.20. The leverage is determined under the gross method in accordance with article 7 of the Commission Delegated Regulation and under the commitment method in accordance with article 8 of the Commission Delegated Regulation.
- 1.21. Under the gross calculation method, the leverage of any Sub-Fund shall in principle not exceed 600% of the Net Asset Value of that Sub-Fund. Under the commitment calculation method, the leverage of any Sub-Fund shall in principle not exceed 700% of the Net Asset Value of that Sub-Fund.

Investment Policy

- 1.22. The investment policy of each Sub-Fund is set out in the relevant Section of Part B.

2. GENERAL RISK CONSIDERATIONS

Introduction

- 2.1. An investment in a Sub-Fund involves certain risks relating to the particular Sub-Fund's structure and investment objectives which Investors should evaluate before making a decision to invest in such Sub-Fund.
- 2.2. The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Issuing Document. The following however, does not purport to be a comprehensive summary of all the risks associated with any Sub-Fund.

Structural risks

Risks linked to the dependence on the Directors

- 2.3. Decisions with respect to the general management of the Company will be made by the Board. As a result, the success of each Sub-Fund for the foreseeable future will

depend largely upon the abilities of the Directors to manage the Company and on the availability of the Directors to the Company. The resignation, revocation, death or incapacity of any Director can have a significant impact on the management of the Company and on the performance of any Sub-Fund.

Risk of early termination of a Sub-Fund

- 2.4. In the event of the early termination of a relevant Sub-Fund, the latter would have to distribute to the Shareholders their pro-rata interest in the assets of the Company. The Sub-Fund's investments would have to be sold by the Company or distributed to the Shareholders. It is possible that at the time of such sale or redemption certain investments held by the Sub-Fund may be worth less than the initial cost of the investment, resulting in a loss to the Sub-Fund and to its Shareholders. Moreover, in the event the Sub-Fund terminates prior to the complete amortisation of organisational expenses, any unamortised portion of such expenses will be accelerated and will be debited (and thereby reduce) amounts otherwise available for distribution to Shareholders.

Risks involved by performance incentives

- 2.5. The payment of a fee calculated on the basis of performance could encourage the beneficiary to take the necessary steps that more risky and volatile investments are made than if such fees were not applicable.

Investment risks

Risks linked to the proprietary quantitative (statistical) model

- 2.6. Investment decisions depend to a large extent on the proprietary quantitative (statistical) model used by the Board. Performance of a portfolio can be influenced by factors which have not been captured by the model or which have insufficiently been taken into account by the model.

FX risks

- 2.7. A relevant Sub-Fund may invest in assets denominated in a wide range of currencies. The Net Asset Value of each Class expressed in its respective currency will fluctuate in accordance with the changes in foreign exchange rate between its currency, the Reference Currency of the Sub-Fund and the currencies in which the Sub-Fund's investments are denominated.

Risks linked to structured financial instruments

- 2.8. Structured financial instruments are subject to the risks associated with the underlying market or security, and may be subject to greater volatility than direct investments in the underlying market or security. Structured financial instruments may entail the risk of loss of principal and/or interest payments as a result of movements in the underlying market or security.
- 2.9. In particular, investments in instruments linked to the performance of certain securities, indices, interest rates or currency exchange rates indirectly provide an

exposure to those securities, indices, interest rates or currency exchange. The terms of such instruments may provide that their principal amounts or just their coupon interest rates are adjusted upwards or downwards at maturity or on established coupon payment dates to reflect movements in various measures of underlying market or security while the obligation is outstanding.

- 2.10. Use of credit-linked notes can overcome problems and mitigate certain risks associated with direct investment in the underlying assets. Credit linked notes referenced to underlying securities, instruments, baskets or indices, which the relevant Sub-Fund may hold, are subject to both counterparty risk and the risk inherent in the underlying investment.

Risks linked to special investment techniques

- 2.11. The general use of currency hedging techniques and instruments, compared to traditional forms of investment may involve greater risks.

Risks related to lending and borrowing of securities

- 2.12. The Company may borrow and lend securities as part of its investment strategy. In case of borrowing, the Company may have access to “hard-to-borrow” securities whose costs have to be borne by the relevant Sub-Fund and which may have an impact on the performance of that Sub-Fund. Securities lending may have a positive impact on the performance of a relevant Sub-Fund in terms of yield enhancement. However, third parties that borrow securities from a relevant Sub-Fund may not be able to return these securities on first demand which may cause the Sub-Fund to default on its obligation to other counterparties.

Risks due to short sales

- 2.13. A Sub-Fund may be allowed to take short positions on securities. In such a case the Sub-Fund may be exposed to price movements in an opposite way as the expected one which may involved that the Fund is not able to cover the short position. As a result, the Sub-Fund may theoretically face an unlimited loss. The availability in the market of the borrowed securities cannot be ensured when necessary to cover such short position.

Risks linked to use of leverage

- 2.14. A relevant Sub-Fund may use of leverage, i.e. a borrowing facility for purchasing securities and assets in excess of the equity value which is available for the Sub-Fund. If the cost of borrowing is lower than the net return earned on the purchased asset, the Sub-Fund may increase its performance. However, if the use of leverage exposes the Sub-Fund to additional risks such as but not limited to
- (a) greater potential losses on the investment purchase by using the leverage;
 - (b) greater interest costs and lower debt coverage in case of increasing interest rates; and/or

- (c) premature margin calls which may force the liquidation of some Investments (which may occur at a moment where the investments have been under pressure by the markets involving the liquidation at prices below the acquisition prices).

Risks linked to use of financial derivatives

- 2.15. *Options*: Both the purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price.
- 2.16. *Futures*: Futures markets are highly volatile markets. The profitability of any Sub-Fund will partially depend on the ability of the Board to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economical events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets, particularly currency markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin is required to trade on futures markets, the operations of the managed futures portion of the Company for the account of any Sub-Fund will be characterised by a high degree of leverage. As a consequence, a relatively small variation of the price of a futures contract may result in substantial losses for the relevant Sub-Fund and a correlated reduction of the Net Asset Value of the Shares.

Most futures markets limit fluctuation in futures contracts prices during a single day. When the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions can be neither taken nor liquidated unless the Company is willing to trade at or within the limit. In the past futures contracts prices have exceeded the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Company from promptly liquidating unfavourable positions and thus subject the Company to substantial losses. In addition, even if the prices do not get close to such limits, the Company may be in a position not to obtain satisfying prices if the volumes traded on the market are insufficient to meet liquidation requests. It is also possible that a stock exchange, the Commodity Futures Trading Commission in the United States or another similar institution in another country suspends the listing of a particular contract, instructs the immediate liquidation of the contract or limits transactions on a contract to the sole transactions against delivery.

- 2.17. *Options on futures*: The Company may engage in the management of options, in particular options on futures contracts. Such management carries risks similar to the risks inherent to the uncovered management of futures contracts on commodities as far as such options are volatile and imply a high degree of leverage. The specific movements of the commodities and futures contracts markets, which represent the underlying assets of the option, may not be predicted with precision. The buyer of an option may lose the entire purchase price of the option. The seller of an option may

lose the difference between the premium received for the option and the price of the commodity or of the futures contract underlying the option that the seller must buy or deliver, upon the exercise of the option.

- 2.18. *Contract for difference*: Contracts for difference (CFD) (also known as synthetic swaps) can be used to secure a profit or avoid a loss by reference to fluctuations in the value or price of equities or Financial Instruments or in an index of such equities or Financial Instruments. An equity CFD is a derivative instrument designed to replicate the economic performance and the cash flows of a conventional share investment.

CFDs may be used either as a substitute for direct investment in the underlying equity security or as an alternative to and for the same purposes as futures and options, particularly in cases where there is no futures contract available in relation to a specific security, or where an index option or index future represents an inefficient method of gaining exposure because of pricing risk or the risk of delta or beta mismatches.

The Company may invest in CFDs and total return equity swaps (equity swaps). The risks inherent in CFDs and equity swaps are dependent on the position that a Company may take in the transaction: by utilising CFDs and equity swaps, a Company may put itself in a “long” position on the underlying value, in which case the Company will profit from any increase in the underlying stock, and suffer from any fall. The risks inherent in a “long” position are identical to the risks inherent in the purchase of the underlying stock. Conversely, a Company may put itself in a “short” position on the underlying stock, in which case the Company will profit from any decrease in the underlying stock, and suffer from any increase. The risks inherent in a “short” position are greater than those of a “long” position: while there is a ceiling to a maximum loss in a “long” position if the underlying stock is valued at zero, the maximum loss of a “short” position is that of the increase in the underlying stock, an increase that, in theory, is unlimited.

It should be noted that a “long” or “short” CFD or equity swap position is based on the relevant Board’s opinion of the future direction of the underlying security. The position could have a negative impact on the Company’s performance. However, there is an additional risk related to the counterparty when CFDs and equity swaps are utilised: the Company runs the risk that the counterparty will not be in a position to make a payment to which it has committed. The Board will ensure that the counterparties involved in this type of transaction are carefully selected and that the counterparty risk is limited and strictly controlled.

- 2.19. *Swaps*: The Company may enter into one or more swaps in connection with a currency hedge or as a part of a strategy. Swap agreements are not traded on exchanges but rather banks and dealers act as principals by entering into an agreement to pay and receive certain cash flow over a certain time period, as specified in the swap agreement. Consequently, the Company is subject to the risk of a swap counterparty’s inability or refusal to perform according to the terms of the swap agreement. The swap market is generally unregulated by any governmental authority. To mitigate the counterparty risk resulting from swap transactions, the Company will enter into such transactions only with highly rated, first class financial institutions with which it has established ISDA agreements.

- 2.20. *Credit default swaps*: Credit default swaps can be subject to higher risk than direct investment in Transferable Securities. The market for credit default swaps may from time to time be less liquid than transferable securities markets. However, the Company only intends to invest in credit default swaps which are liquid. The Company will therefore always seek to be in a position enabling it to liquidate its exposure to credit default swaps in order to meet redemption requests. In relation to credit default swaps where the Company sells protection, the Company is subject to the risk of a credit event occurring in relation to the reference issuer. In relation to credit default swaps where the Company buys protection, the Company is subject to the risk of the counterparty of the credit default swaps defaulting. To mitigate counterparty risk resulting from credit default swap transactions, the Company will only enter into credit default swaps with highly rated financial institutions specialised in this type of transaction and in accordance with the standard terms laid down by the ISDA.

Risks linked to commodities

- 2.21. The Company may invest indirectly in commodities. Investors should be aware that investments in commodities involve significant risks. Prices of commodities are influenced by, among other things, various macro economic factors such as changing supply and demand relationships, weather conditions and other natural phenomena, agricultural, trade, fiscal, monetary and exchange control programmes and policies of governments (including government intervention in certain markets) and other unforeseeable events.
- 2.22. Investment in commodities is countercyclical: the value of investments in commodities is moving in the opposite direction than the overall economic cycle. Most assets do not benefit from rising inflation, but commodities usually do. As demand for goods and services increases, the price of those goods and services usually rises as well, as does the price of the commodities used to produce those goods and services. By contrast, stocks and bonds tend to perform better when the rate of inflation is stable or growing.

Risks linked to emerging markets

- 2.23. The Company may invest in emerging markets. Certain issues are more prevalent in emerging markets than in other markets, such as high inflation making valuations problematic, macroeconomic volatility, capital restrictions and controls, and political risks. The political system of those countries is vulnerable to the population's dissatisfaction and exposed to internal pressure exercised by groups of influence with reforms, social unrest and changes in governmental policies, any of which could indirectly have a material adverse effect on the performance of the Company.

Risks related to service providers and counterparties

Risks related to the Depositary and the Prime Brokers

- 2.24. The default of the Depositary or of one of the Prime Brokers may cause substantial losses for Company and its Shareholders.

- 2.25. Although it is not the intention of the Board as of the date of this Issuing Document, Financial Instruments may be provided as collateral which may then be in custody with the Prime Brokers or any of their agents or a third party. The Company may agree that the Depositary will be discharged from its liability to the Prime Brokers, their agent or the relevant third party resulting that the Company has to directly make a claim against the Prime Brokers, their agent or the relevant third party in respect of a loss of Financial Instruments. The Company may become an unsecured creditor in case of default of one of the Prime Brokers, its agent or the relevant third party.
- 2.26. The Sub-Fund's cash is not segregated from the cash held at the Depositary, the Prime Brokers or any other broker. Cash may be used in its ordinary course of business. It results that the Company may become an unsecured creditor of the Depositary, the Prime Brokers or any other broker in case of default of the latter.
- 2.27. The obligations of the Company for the account of a relevant Sub-Fund towards the Depositary, the Prime Brokers respectively a third party on securities lending or borrowing transactions is typically guaranteed by the transfer to the Depositary respectively to the Prime Brokers or the relevant third party of collateral in the form of Financial Instruments, cash or other assets owned by the relevant Sub-Fund. The counterparty risk results from the difference between (a) the values of these assets transferred to the Depositary, the Prime Brokers or any other party as security in the context of securities lending or borrowing transactions and (b) the debt of the Company owed to the Depositary, the Prime Brokers or that other party. These counterparties may sell, lend or use in any other way the collateral for its own needs.

Counterparty risk when entering into OTC transactions

- 2.28. Furthermore the Company may engage on behalf of a relevant Sub-Fund in OTC transactions with banks and/or brokers (including, in particular, the Prime Brokers) acting as counterparties. Participants to such markets are not protected against defaulting counterparties in their transactions because such contracts are not guaranteed by a clearinghouse.
- 2.29. The Company may also have credit exposure to one or more counterparties by virtue of its investment positions including via the use of CFD. To the extent that a counterparty defaults on its obligation and the Company is delayed or prevented from exercising its rights with respect to the investments in the portfolio of a relevant Sub-Fund, the latter may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Such risks will increase where the Company uses only a limited number of counterparties for a relevant Sub-Fund.

Market participant risk

- 2.30. The institutions, including brokerage firms and banks, with which the Company executes trades, may encounter financial difficulties that impair the operational capabilities or the capital position of such counterpart. The Company will have no control whatsoever over these institutions.

Legal and tax risks

Risks involved by changes in applicable law

- 2.31. The Company must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Company, the legal requirement to which the Company and its Shareholders may be subject to, could differ materially from current requirements.

3. COMPANY

Legal information

- 3.1. The Company was incorporated on 23 May 2008 for an unlimited period of time and is governed by the 1915 Act and by the 2007 Act.
- 3.2. Its registered office is established at 6B, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.
- 3.3. The Company is registered at the RCSL under the number B138962.
- 3.4. The Articles have been filed with the RCSL and were published for the first time in the Memorial of 18 June 2008. Through the extraordinary General Meeting of 8 March 2012, the Articles have been amended to set the registered office in Hesperange. The minutes of this extraordinary General Meeting have been published in the Mémorial of 30 March 2012. Through the extraordinary General Meeting of 17 April 2015, the Articles have been amended, amongst others, to set the registered office of the Company in Senningerberg.

Minimum capital and Own Funds

- 3.5. In accordance with article 27 of the 2007 Act, the minimum capital increased by the issuance premiums of the Company will be EUR 1,250,000 (or the equivalent in any other freely convertible currency).
- 3.6. In accordance with the 2013 Act, the Company will maintain capital of EUR 300,000 under the form of Liquid Assets on a permanent basis on its balance sheet. In addition, the Company will have own funds in accordance with article 8(3) or article 8(7)(a) of the 2013 Act (the **Own Funds**). Own Funds will be always equivalent to one quarter of the Company's fixed overheads of the preceding accounting year. The actual level of Own Funds will be disclosed each year in the Annual Report. The Board will ensure that Own Funds in the required amount will always be invested in liquid assets or assets readily convertible to cash in the short term and will not include speculative positions. Should the Company be comprised of more than one Sub-Fund, all Sub-Funds will participate in the Own Funds pro-rata to their respective Net Asset Value.

Sub-Funds and Classes

- 3.7. In accordance with article 71 of the 2007 Act, the Company is constituted under the form of an investment company with different Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund as disclosed in Part B. As a result, the Company is an “umbrella fund” enabling Investors to choose between one or more investment objectives by investing in one or more Sub-Funds.
- 3.8. Furthermore, the Board may issue Shares of different Classes in each Sub-Fund.
- 3.9. The Board may from time to time decide to create further Sub-Funds; in that event, the Issuing Document will be updated and amended so as to include detailed information on the new Sub-Funds. The Board may also decide to create further Classes of Shares; in that event the Issuing Document will be updated and amended as to include detailed information on such new Classes.
- 3.10. The share capital of the Company will be equal, at any time, to the total value of the net assets of all the Sub-Funds.

Internally managed AIF

- 3.11. The Company is an internally managed AIF authorised as an AIFM under chapter 2 of the 2013 Act.
- 3.12. The Company fulfils itself the following tasks:
- (a) Portfolio management;
 - (b) Risk management;
 - (c) Regulatory compliance monitoring;
 - (d) Customer inquiries; and
 - (e) Marketing.
- 3.13. The Company entered into the following contractual arrangements with Arkus Financial Services SA:
- (a) Sub-leasing agreement effective as of 22 July 2014 (the **Sub-Lease Contract**): The Company sub-leases its premises from Arkus Financial Services SA. The sub-lease can be terminated by each party within 90 days’ written notice. The monthly lease rate is disclosed in the Annual Report.
 - (b) Agreement relating to the provision of supporting services effective as of 22 July 2014 (the **Supporting Services Agreement**): The Company uses the IT infrastructure made available by Arkus Financial Services SA. The Supporting Services Agreement can be terminated by each party within 90 days’ written notice. The monthly fee paid by the Company to use the IT infrastructure is disclosed in the Annual Report.

- (c) Risk monitoring services agreement effective as of 22 July 2014 (the **Risk Monitoring Services Agreement**) and the agency agreement effective as of 1 April 2015 (the **Agency Agreement**) effective as of 22 July 2014. The Infrastructure Provider prepares weekly risk reports for the Company. The Risk Monitoring Services Agreement and the Agency Agreement can be terminated by each party within 90 days' written notice. The monthly fee paid by the Company to Arkus Financial Services SA is disclosed in the Annual Report.
- 3.14. Accounting, pricing, calculation of the Net Asset Value, maintenance of the Register, reporting and other tasks summarised in Clause 6.3 of Part A are delegated by the Company to the Administrator.

Board and the conduct of daily management of the Company

- 3.15. The Board is in charge of the overall management and supervision of the Company including the management of the Investments and the marketing Shares.
- 3.16. The Board has the broadest powers to act in any circumstances on behalf of the Company, subject to the powers expressly assigned by law and the Articles to the General Meetings.
- 3.17. As of the date of the Issuing Document, the following persons are directors of the Company:
- (a) Nico Goethals, Chairman, professional addresses: Senningerberg/Brussels
 - (i) Nico Goethals has over ten years of experience in asset management and trading. He began his career at KBC in Brussels where he actively contributed at the beginning of the 90ies in the development of risk models of the trading rooms in Brussels, London, Singapore and Hong-Kong. Being part of the bond trading division of KBC, Nico Goethals gained extensive experience as a market maker in government bonds and related financial products. Joining the capital market division and the asset management department of KBC, he specialised in proprietary trading and equity analysis and was involved in the investment advisory strategy for the use of derivatives in the retail banking. In 2000, Nico Goethals worked as an analyst and investment adviser for Artesia Securities (now part of Dexia group) before joining Aphilion where he is the manager of Aphilion Q², a self-managed investment company with variable capital under Belgian law. Nico Goethals graduated as commercial engineer magna cum laude from the University of Leuven (Belgium) and holds a bachelor in philosophy delivered cum laude from the same university.
 - (ii) Goethals Nico is entrusted with overall coordination and marketing and, as a back-up, with portfolio management

- (b) Jan Holvoet, Director, professional addresses: Senningerberg/Brussels
- (i) Jan Holvoet began his career as a trader with KBC in Brussels where he gained experience as a market maker in options listed on Belfox and OTC options on Belgian government bonds. He worked also several years as an investment analyst with KBC Asset Management where he was specialised in quantitative based risk and return modelling, buy-side analysis of equities and tactical asset allocation before joining Aphilion where he is the manager of Aphilion Q², a self-managed investment company with variable capital under Belgian law. Jan Holvoet graduated magna cum laude in philosophy and in economics from the University of Ghent (Belgium). He also holds a master in international economics and management (MIEM) with a specialisation in international finance from the Bocconi University in Milan (Italy).
 - (ii) Jan Holvoet is entrusted with portfolio management, relationship with the Depositary, the Prime Brokers and other brokers.
- (c) Yves Jacobé de Naurois, Director, professional address: Senningerberg
- (i) Yves Jacobé de Naurois has concentrated his career for the past 30 years on risks and compliance in the asset management industry. He has spent 15 years with Citibank Private Bank (Zurich, Geneva, Luxembourg and London) and was among others Global Senior Investment Officer and Investment Services Business Manager where he was in particular in charge of the risk management, consistency of performance and fiduciary compliance as well as the investment process and oversight of all discretionary mandates in the Private Bank worldwide (North America, EMEA, Far East). In 1999, Yves Jacobé de Naurois was appointed as General Manager, at Banque SCS Alliance SA, where he strengthened controls, including KYC, and prepared bank for sale, while being based in Geneva. Yves Jacobé de Naurois holds a MBA in accounting and finance from the Columbia University (New York).
 - (ii) Yves Jacobé de Naurois is entrusted with portfolio management, compliance (other than on investment restrictions) and supervision of the Administrator.
- 3.18. The Board delegated the daily conduct of risk management to Martin Ewen. Martin Ewen began his career with HSBC Trinkhaus & Burkhardt (International) SA before joining Ernst & Young as a consultant and Arkus Financial Services SA as a risk analyst. As of the date of this Issuing Document, he is the head of operations and development of Arkus Financial Services SA.

Internal audit function

- 3.19. The Company established an internal audit function which has been delegated to Osiris Audit & Associés Sàrl with registered office at 283, route d'Arlon, L-8011 Strassen.
- 3.20. The internal audit function is entrusted, amongst others, with establishing, implementing and maintaining an audit plan with a view to examine and evaluate the adequacy and effectiveness of the Company's systems, internal control mechanisms and other arrangements and to report in this context to the Board at least once per year.
- 3.21. Section 12 of the Handbook of Policies determines the internal audit policy.

Operating conditions of the Company

Handbook

- 3.22. The Company adopted policies and procedures to comply with operational conditions required under the 2013 Act.
- 3.23. These policies and procedures are summarised in the Handbook of Policies which is made available upon request to Investors at the registered office of the Company.

General principles

- 3.24. The Company provides its services in accordance with general principles determined in article 11 of the 2013 Act. Shareholders of the same Class and who participated on substantially similar conditions in the relevant Sub-Fund must be treated fairly by the Company. Where a side letter will grant a preferential treatment to a relevant Investor, other Investors of the same Sub-Fund or Class can require the Company to benefit from the same treatment. To that purpose, any Investor is entitled to address to the Company a written request to obtain information on preferential treatment which has been granted to an Investor participating in the same Sub-Fund or Class as the requesting Investor.

Rules to minimize conflicts of interest

- 3.25. The Company adopted rules of conduct to minimise conflicts of interest to comply with article 13 of the 2013 Act and with article 42bis (2) of the 2007 Act. Each Director, employee or officer of the Company is required to follow these rules of conduct.
- 3.26. A Director, employee or officer of the Company or of any of its agent (each a **Potentially Conflicted Person**) may be engaged in other business activities in addition to managing and providing directly or indirectly services to the Company.
- 3.27. It is furthermore possible that companies with whom Potentially Conflicted Persons are associated or which they manage or advise invest by way of co-investment or otherwise in the same issues as the Company and under the same, similar or different

conditions. It is also possible that such associated companies may have already invested in these issues or may invest into such issues at a later stage.

- 3.28. Potentially Conflicted Persons will be obliged to devote such part of their professional time and attention to the business of the Company as is reasonably required in the best interest of the Company and its Shareholders to effectively manage the Company or to effectively provide services to the Company.

Risk and liquidity management processes

- 3.29. The Handbook contains for each Sub-Fund a risk and liquidity management processes.
- 3.30. The risk profile of each Sub-Fund is indicated in the risk management policy.

Summary of the main legal implications when investing into the Company

- 3.31. Disputes arising between the Shareholders, the Company and the Depositary shall be settled according to Luxembourg Law and subject to the jurisdiction of the courts of Luxembourg, provided, however, that the Company may subject themselves to the jurisdiction of courts of the countries, in which Shares are marketed, with respect to claims by Investors resident in these countries and, with respect to matters relating to subscriptions and redemptions by Investors resident in these countries, to the laws of these countries.
- 3.32. English is the governing language for the Articles.
- 3.33. Claims of Shareholders against the Company or the Depositary will lapse five years after the date of the event that gave rise to these claims.
- 3.34. By completing and submitting the Subscription Agreement, Shareholders made an offer to subscribe for Shares which, once it is accepted by the Company, payment is provided to the account of the relevant Sub-Fund at the Depositary and Shares are issued, has the effect of a binding contract.
- 3.35. Shareholders are obliged under the Subscription Agreement to make representations, warranties, declarations and certifications relating, amongst others, to their eligibility to invest into the Company and compliance with the applicable anti-money laundering laws and regulations.
- 3.36. By acquiring Shares, Investors fully accepts the Articles and this Issuing Document.
- 3.37. In any proceedings taken in the Grand Duchy of Luxembourg for the enforcement of a judgement obtained against the Company in the courts of a foreign (non-Luxembourgish) jurisdiction (the **Foreign Judgement**), the Foreign Judgement should be recognised and enforced by the courts of the Grand Duchy of Luxembourg. To enforce such a Foreign Judgement in the Grand Duchy of Luxembourg, it would be necessary to obtain an order of the Luxembourgish courts.
- 3.38. Unless otherwise provided for under Luxembourg Law, Shareholders will in principle have no direct right against the Depositary, the Administrator, the Algorithm Owner

or any other service provider or agent of the Company. The liability of these companies towards the Shareholders is invoked by the Company through the Board.

4. DEPOSITARY

Appointment and legal information

- 4.1. BNP Paribas Securities Services acting through its Luxembourg branch is appointed as the Company's depositary pursuant to the depositary agreement of 30 March 2015 between the Company and the Depositary Agreement (the **Depositary Agreement**).
- 4.2. The Company and the Depositary may terminate the Depositary Agreement upon 90 days prior written notice.
- 4.3. The Depositary is a credit institution in the meaning of the act of 5 April 1993 relating to the financial sector, as amended. The Depositary was established on 28 March 2002 and its office is at 33, rue de Gasperich, Hesperange, L-5826 Luxembourg.

Services provided by the Depositary

- 4.4. The Depositary provides its service in accordance with article 19 of the 2013 Act.
- 4.5. The Depositary will for each Sub-Fund
 - (a) ensure that cash flows are properly monitored, and in particular that all payments made by or on behalf of Shareholders when subscribing Shares have been received and that all cash of the Sub-Fund has been booked in cash accounts as permitted under article 19 (7) of the 2013 Act;
 - (b) safe-keep Investments which are Financial Instruments that can be held in custody in accordance with article 19 (8) a) of the 2013 Act;
 - (c) verify the ownership of Investments which cannot be held in custody and maintain a record of those Investments for which it is satisfied that the Company for the account of the relevant Sub-Fund holds the ownership of those Investments as further determined in article 19 (8) b) of the 2013 Act;
- 4.6. Furthermore, the Depositary will for each Sub-Fund
 - (a) ensure that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg Law and the Articles;
 - (b) ensure that the value of the Shares is calculated in accordance with Luxembourg Law, the Articles and with this Issuing Document;
 - (c) carry out the instructions of the Management Company, unless they conflict with Luxembourg Law, the Articles and this Issuing Document;

- (d) ensure that in transactions involving Investments any consideration is remitted to the Company for the account of the relevant Compartment within the usual time limits; and
 - (e) ensure that a Sub-Fund's income is applied in accordance with the Luxembourg Law, the Articles and this Issuing Document.
- 4.7. The Depositary will use the services of correspondents which are selected in good faith and duly authorised to provide the required services.
- 4.8. Where the law of a third country requires that certain Financial Instruments are held in custody by a local entity and there are no local entities that satisfy the delegation requirements under article 19(11)(d)(ii) of the 2013 Act, the Depositary can discharge itself of its liability provided that
- (a) the Company instructed the Depositary to delegate the custody of these Financial Instruments to the relevant local entity;
 - (b) there is a written contract between the Depositary and the Company which expressly allows this discharge; and
 - (c) there is a written contract between the Depositary and the third party that expressly transfers the liability of the Depositary to that local entity and makes it possible for the Company to make a claim against that local entity in respect of the loss of financial instruments or for the Depositary to make such a claim on their behalf.

Paying agency

- 4.9. As principal paying agent, the Depositary will have as its principal function the operation of procedures in connection with the payment of distributions and, as the case may be, redemption proceeds on the Shares.

Remuneration

- 4.10. The remuneration of the Depositary is met by the Company out of the net assets of the relevant Sub-Fund in accordance with the Depositary Agreement.
- 4.11. The remuneration of the Depositary is disclosed in the Annual Report.

5. PRIME BROKERS

Legal information

- 5.1. The Company appointed Newedge UK Financial Limited, 10 Bishops Square, London E1 6EH, United Kingdom and Morgan Stanley & Co. International plc, 25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom (the **Prime Brokers**) as its prime brokers in connection with dealing and clearing of CFD and other financial derivative instruments.

- 5.2. Newedge UK Financial Limited is part of Newedge Group, a public limited liability company (*société anonyme*) under French law with registered address at 52/60 avenue des Champs-Élysées, 75008 Paris, France and registered under number 353 020 936 RCS Paris. Newedge Group is subject to the supervision of the *Autorité des Marchés Financiers*.
- 5.3. Morgan Stanley & Co. International plc, is regulated by the Financial Conduct Authority (FCA registration number 165935) and regulated and authorized by the Prudential Regulation Authority.
- 5.4. The Prime Brokers fulfil the conditions set under CSSF circular 08/372:
- (a) The Prime Brokers are investment firms under the prudential supervision of a supervisory authority in the EU;
 - (b) The Prime Brokers are widely recognized and specialized for this type of services;
 - (c) The Prime Brokers' appointment by the Company does not have any objection of the Depositary who disposes, where necessary, of all information from the Prime Brokers to fulfil its safe-keeping obligations.

Services – Margin accounts

- 5.5. The Prime Brokers provide dealing and clearance services of CFD and other financial derivative instruments. The Prime Brokers do not provide custody services.
- 5.6. The Company will fund margin accounts with the Prime Brokers by cash.
- 5.7. It is not the intention of the Company to fund margin accounts with Financial Instruments. Collateral under the form of Financial Instruments will remain in custody with the Depositary.

Remuneration

- 5.8. The remuneration of the Prime Brokers is met by the Company out of the net assets of the relevant Sub-Fund in accordance with the Prime Brokerage Agreements.
- 5.9. The remuneration of the Prime Brokers is disclosed in the Annual Report.

6. ADMINISTRATION OF THE COMPANY

Appointment of the Administrator and legal information

- 6.1. BNP Paribas Securities Services acting through its Luxembourg Branch has been appointed as the Company's administrator, registrar and transfer agent (the **Administrator**) further to the administration agreement of 30 March 2015 (the **Administration Agreement**).
- 6.2. The Company and the Administrator may terminate the Administration Agreement upon 90 days prior written notice.

Services provided by the Administrator

- 6.3. The Administrator provides the following services:
- (a) Accounting services;
 - (b) Valuation and pricing including tax returns;
 - (c) Calculation of the Net Asset Value;
 - (d) Maintenance of Register including identification of Investors;
 - (e) Distribution of income;
 - (f) Issuance, redemption, conversion and transfer of Shares;
 - (g) Contract settlement including certificate dispatch, where required;
 - (h) Record keeping;
 - (i) Preparation of the Annual Report; and
 - (j) Reporting to the CSSF.
- 6.4. In connection with the calculation of the Net Asset Value, the Administrator is entitled to rely on information supplied by third parties with the consent and under the supervision of the Company. In the absence of manifest error, the Administrator will not be liable for the accuracy of the relevant information received or for any errors in the Net Asset Value calculation resulting from the inaccuracy of the relevant information received by the Administrator.

7. PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

- 7.1. Measures aimed towards the prevention of money laundering and terrorism financing require a detailed verification of an Investor's identity in accordance with the applicable laws and regulations in Luxembourg in relation to anti-money laundering and terrorism financing obligations.
- 7.2. The Company and the Administrator reserve the right to request such information as is necessary to verify the identity of an Investor in conformity with the before mentioned laws and regulations.
- 7.3. In the event of delay or failure by the Investor to produce any information required for verification purposes, the Company (and each of the Intermediaries) and the Administrator may refuse to accept the application and all subscription monies.

8. PREVENTION OF MARKET TIMING AND LATE TRADING

- 8.1. Market Timing is to be understood as an arbitrage method through which an Investor systematically subscribes and redeems or converts units or shares of the same fund within a short time period, by taking advantage of time differences and/or

imperfections or deficiencies in the method of determination of the Net Asset Value of the fund.

- 8.2. The Board does not permit practices related to Market Timing. Both the Board and the Administrator reserve the right to reject subscription and conversion orders from an Investor who the Board or the Administrator suspects of using such practices. The Board further reserves the right to take, if appropriate, the necessary measures to protect the other Shareholders of the Company.
- 8.3. Late Trading is to be understood as the acceptance of a subscription, conversion or redemption application after the time limit fixed for accepting application (cut-off time) on the relevant Valuation Day and the execution of such order at the price based on the Net Asset Value per Share of the relevant Sub-Fund applicable to such same day.
- 8.4. Subscriptions, redemptions and conversions are dealt with at an unknown Net Asset Value per Share of the relevant Sub-Fund on the relevant Valuation Day. The cut-off time is disclosed for each Sub-Fund in the relevant Section of Part B.

9. SHARES

General information

- 9.1. Shares are issued in registered form only (*actions nominatives*).
- 9.2. 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 will receive a written confirmation of his or her shareholding.
- 9.3. All Shares must be fully paid-up.
- 9.4. Shares are of no par value and carry no preferential or pre-emptive rights.
- 9.5. Each Share of the Company of any Class to whatever Sub-Fund it belongs is entitled to one vote at any General Meeting in accordance with Luxembourg Law and the Articles.
- 9.6. Fractional Shares may be issued to the nearest thousandth of a Share, and such fractional Shares will not be entitled to vote but will be entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Class in the relevant Sub-Fund on a pro rata basis.

Subscription of Shares

- 9.7. The conditions for an Investor to subscribe Shares are determined for the relevant Sub-Fund in its Section of Part B.
- 9.8. In particular, Part B determines for each Sub-Fund the Initial Subscription Period or the initial subscription date.

- 9.9. After the Initial Subscription Period or the initial subscription date, Shares are issued at the Subscription Price which is the total of the Net Asset Value per Share increased, as the case may be, by the Subscription Fee.
- 9.10. The Subscription Price is available for inspection at the registered office of the Company.
- 9.11. Investors whose applications are accepted by the Board (or by the entity duly mandated by the Company) will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined in the relevant Section of Part B) following receipt of the application order provided that such application is received at the registered office of the Company at a time as defined in the relevant Section of Part B.
- 9.12. Payments for Shares will be required to be made in the currency as determined in the relevant Section of Part B or in any major freely convertible currency (in which case any currency conversion costs will be borne by the Investor).
- 9.13. The Company reserves the right to reject any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant within ten (10) 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.
- 9.14. The Company may agree to issue Shares as consideration for a contribution in kind of assets, provided that such assets comply with the investment objectives, restrictions and policy of the relevant Sub-Fund and in compliance with the conditions set forth by Luxembourg Law, in particular the obligation to deliver a valuation report from the auditor of the Company (réviseur d'entreprises agréé) which will be available for inspection. Any costs incurred in connection with a contribution in kind of assets will be borne by the relevant Shareholders.
- 9.15. 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, pursuant to the powers reserved to it by article 13 of the Articles.
- 9.16. 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.

Redemption of Shares

- 9.17. The conditions for an Investor to redeem Shares are determined for each Sub-Fund in its Section of Part B which in particular determines for each Sub-Fund if a specific lock-up period during which no redemption of Shares is admitted by the Board has been established.
- 9.18. Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the registered office of the Company and the Administrator to request the redemption of their Shares.

- 9.19. Redemption requests should contain the following information (if applicable): the identity and address of the Shareholder requesting the redemption, the number of Shares to be redeemed, the relevant Class (if any), the relevant Sub-Fund and details as to whom payment should be made. Share certificates in proper form (if any) and all necessary documents to complete the redemption should be enclosed with such application.
- 9.20. 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 Part B.
- 9.21. Shares will be redeemed at the Redemption Price which is equal to the Net Asset Value per Share of the relevant Sub-Fund or Class less, as the case may be, a Redemption Fee the rate of which is indicated in the relevant Section of Part B.
- 9.22. Payment of the Redemption Price will be made:
- (a) For each Sub-Fund or Class within a period as defined in the relevant Section of Part B;
 - (b) By wire to an account indicated by the Shareholder, at such Shareholder's expense and at the Shareholder's risk; and
 - (c) In the currency of the relevant Sub-Fund or Class as indicated in the relevant Section of Part B or in any other freely convertible currency specified by the Shareholder – in this case, any currency conversion costs will be borne by the Shareholder.
- 9.23. Redemption Price may be higher or lower than the Subscription Price.
- 9.24. Shares will not be redeemed if the calculation of the Net Asset Value is suspended by the Board in accordance with article 13 of the Articles.
- 9.25. If, as a result of any request for redemption, the aggregate Net Asset Value of the Shares held by a Shareholder would fall below EUR 125,000, the Board may treat this request as a request to redeem the entire shareholding of that Shareholder.
- 9.26. Furthermore, if on any Valuation Day redemption requests pursuant to article 8 of the Articles relate to more than 10% of the Shares in issue in a specific Sub-Fund, the Board may decide that part or all of such requests for redemption will be deferred proportionally for such period as the Board considers to be in the best interests of the Sub-Fund, but normally not exceeding one Valuation Day. 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.
- 9.27. The Articles contain in article 11 provisions enabling the Company to compulsorily redeem Shares held by Restricted Persons.
- 9.28. The Company will have the right, if the Board 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 article 12 of the Articles) 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 will be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares and the valuation used will be confirmed by a special report of the auditor of the Company. The costs of any such transfers will be borne by the transferee.

Conversion of Shares

- 9.29. Shareholders have the right, subject to the provisions hereinafter specified and subject to any limitations set out in the relevant Section of Part B, to convert as of a relevant Valuation Day Shares of one Class of the Sub-Fund into Shares of another Class of the same Sub-Fund or of another Sub-Fund.
- 9.30. The rate at which Shares will 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 required by the Board for this purpose.
- 9.31. A conversion fee may be charged, the rate of which fee may be indicated in the relevant Section of Part B or in the Subscription Form. Where no conversion fee has been determined, the Company is entitled to charge the Redemption Fee (if any) and the Subscription Fee (if any).
- 9.32. Conversion of Shares will be treated as redemption of Shares and a simultaneous subscription 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.
- 9.33. All terms and notices regarding the redemption of Shares will equally apply to the conversion of Shares.
- 9.34. No conversion of Shares will be effected until the following documents have been received at the registered office of the Company and/or the Administrator:
 - (a) A duly completed conversion request form or other written notification acceptable to the Company and/or the Administrator;
 - (b) The conversion form duly completed together with any other documentation that may be requested by the Company and/or the Administrator from time to time.
- 9.35. 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 article 13 of the Articles.

Transfer of Shares

- 9.36. No sale, assignment, transfer, grant of a participation in, pledge, hypothecation, encumbrance or other disposal (each a **Transfer**) of all or any portion of any Shareholder's Shares, whether voluntary or involuntary, shall be valid or effective if:
- (a) The Transfer would result in a violation of any Luxembourg Law or the laws and regulations of any other jurisdiction or expose the Company to any other adverse tax, legal or regulatory consequences as determined by the Board;
 - (b) The Transfer would result in a violation of any term or condition of the Articles or of this Issuing Document; and
 - (c) The transferee is a Restricted Person.
- 9.37. Any Transfer must be approved by the Board and the transferee must enter into a Subscription Form in respect of the relevant Shares so transferred.
- 9.38. The transferor shall be responsible for and pay all costs and expenses (including any taxation) arising in connection with any such permitted Transfer, including reasonable legal fees arising in relation thereto incurred by the Company and stamp duty or stamp duty reserve tax (if any) payable. The transferor and the transferee must indemnify the Indemnified Persons, in a manner satisfactory to the Company against any claims and expenses to which the Indemnified Persons may become subject arising out of or based upon any false representation or warranty made by, or breach or failure to comply with any covenant or agreement of, such transferor or transferee in connection with such Transfer.

10. DATA PROTECTION

- 10.1. The Company may collect information from an Investor from time to time in order to develop and process the business relationship between the potential investor, the Shareholder and the Company, and for other related activities. If an Investor fails to provide such information in a form which is satisfactory to the Company, the Company may restrict or prevent the ownership of Shares in the Company and the Company and the Administrator will be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Shares.
- 10.2. By completing and returning an application form, Shareholders consent to the use of personal data by the Company. The Company may disclose personal data to its agents, service providers or if required to do so by force of law or regulatory authority. Shareholders will upon written request be given access to personal data provided to the Company. Shareholders may request in writing the rectification of, and the Company will upon written request rectify, personal data. All personal data will not be held by the Company for longer than necessary with regard to the purpose of the data processing.
- 10.3. The Company may need to disclose personal data to entities located in jurisdictions outside the EU, which may not have developed an adequate level of data protection

legislation. The Company will comply with Luxembourg data protection legislation in respect of personal data.

- 10.4. The Company may use personal data to regularly inform Shareholders about other products and services that the Company believes may be of interest to Shareholders, unless the Shareholder indicates to the Company on the application form or in writing that he or she does not wish to receive such information.

11. DETERMINATION OF THE NET ASSET VALUE

Calculation and Publication

- 11.1. The Net Asset Value per Share of each Class within the relevant Sub-Fund will be expressed in the currency of such Class or in the Reference Currency of the Sub-Fund and will be determined as of any Valuation Day by dividing the net assets of the Company attributable to the relevant 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 then outstanding, in accordance with the valuation rules set forth below. The Net Asset Value per Share may be rounded up or down to the nearest unit of the relevant currency as the Company will determine. 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 Sub-Fund are dealt in or quoted, the Company may, in order to safeguard the interests of the shareholders and the Sub-Fund, cancel the first valuation and carry out a second valuation for all applications received on the relevant Valuation Day.
- 11.2. The frequency of the Net Asset Value calculation is detailed for each Sub-Fund in the relevant Section of Part B.

Determination of the value of assets and liabilities

- 11.3. The Board has delegated the determination of the value of the assets to the Administrator. The Administrator will value the assets using the following principles and the guidelines and policies issued by the Board from time to time in accordance with Clause 11.5 below:
- (a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
 - (b) The value of assets, which are listed or dealt on a Regulated Market, is based on the last available price on that Regulated Market.
 - (c) In the event that any assets are not listed or dealt in on a Regulated Market, or if, with respect to assets listed or dealt in on a Regulated Market as aforesaid, the price as determined pursuant to Clause 11.4 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 by the Board or its delegate.

- (d) The liquidating value of options contracts not traded on a Regulated Market will mean their net liquidating value determined, pursuant to the policies established by the Board, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on a Regulated Market will be based upon the last available 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 will be such value as the Board may deem fair and reasonable.
 - (e) Credit default swaps will be valued at their present value of future cash flows by reference to standard market conventions, where the cash flows are adjusted for default probability or such other method determined in good faith by the Board if it considers that such valuation better reflects the fair value of the relevant credit default swaps. Interest rate swaps will be valued at their market value established by reference to the applicable interest rates' curve. Other swaps will be valued at fair market value as determined in good faith pursuant to the procedures established by the Board and recognised by the auditor of the Company.
 - (f) Units or shares of underlying funds 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 will be determined by the Board on a fair and equitable basis and in good faith.
 - (g) All other securities and other assets will be valued at fair market value as determined in good faith pursuant to the procedures established by the Board.
- 11.4. The value of all assets and liabilities not expressed in the Reference Currency of a Sub-Fund or a Class will be converted into the Reference Currency of that Sub-Fund or Class at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board.
- 11.5. The Board, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Company.
- 11.6. The Net Asset Value per Share of any Sub-Fund or Class may be obtained during business hours at the registered office of the Company.

Temporary Suspension of the Calculation

- 11.7. The Board may temporarily suspend the determination of the Net Asset Value per Share of any Sub-Fund or Class and the issue and redemption of Shares:
- (a) During any period when any of the principal stock exchanges or other markets on which any substantial portion of the investments of the Company attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation on the investments of the Company attributable to a Sub-Fund quoted thereon;
 - (b) During the existence of any state of affairs which constitutes an emergency in the opinion of the Board as a result of which disposals or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable; or
 - (c) During any breakdown in the means of communication normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or values on any stock exchange or other market in respect of the assets attributable to such Sub-Fund;
 - (d) When for any other reason the prices of any investments owned by the Company attributable to any Sub-Fund cannot promptly or accurately be ascertained; or
 - (e) During any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of the Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot in the opinion of the Board be effected at normal rates of exchange; or
 - (f) Upon the sending out of a notice convening a General Meeting for the purpose of resolving the winding-up a Sub-Fund or the Company.
- 11.8. Any such suspension will be notified to an Investor who has made an application for subscription, redemption or conversion of Shares for which the calculation of the Net Asset Value has been suspended.
- 11.9. A suspension for a relevant Sub-Fund or Class will have no effect on the calculation of the Net Asset Value or the issue and redemption of Shares of any other Sub-Fund or Class.
- 11.10. Any request for subscription or redemption will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value, in which case Investors may give notice that they wish to withdraw their application. If no such notice is received by the Company or by the Administrator, such application will be dealt with on the first Valuation Day, as determined for each relevant Sub-Fund, following the end of the period of suspension.

12. DISTRIBUTION POLICY

- 12.1. Each Sub-Fund's principal investment objective is to achieve long term capital growth. The generation of income will not be an overriding consideration in determining investment policy.
- 12.2. The Board reserves however the right to propose the payment of a dividend at any time.
- 12.3. Dividends not claimed within five years of their due date will lapse and revert to the relevant Class within the relevant Sub-Fund.
- 12.4. No interest will be paid on a distribution declared by the Company and kept by it at the disposal of its beneficiary.

13. CHARGES AND EXPENSES

General

- 13.1. The Company pays out of the assets of the relevant Sub-Fund all expenses payable by the Company which will include but not be limited to formation expenses, fees and expenses payable to the Depositary and the Administrator, any advisers, to its auditors and accountants, the Prime Brokers, correspondents of the Depositary, listing agent (if any), pricing agencies, lawyers, any permanent representatives in places of registration, as well as any other service provider appointed or agent employed by the Company, the remuneration of the Directors, agents and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with meetings of the Board, any fees and expenses involved in the registration 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 the Issuing Document, explanatory memoranda, periodical reports or registration statements and the costs of any reports to Shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, the costs for the communication, publication of the Net Asset Value, the Subscription Price or the Redemption Price, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex.
- 13.2. 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.

Formation and launching expenses

- 13.3. Expenses incurred in connection with the incorporation of the Company and the creation of the initial Sub-Fund, including those incurred in the preparation of the first Issuing Document, as well as the taxes, duties and any other expenses, were estimated at a maximum of EUR 75,000. These expenses have been borne by the initial Sub-Fund and has been amortised over a period of five years.

- 13.4. Expenses incurred in connection with the creation of any additional Sub-Fund will be borne by that Sub-Fund and may be written off over a period of five years. Hence, the additional Sub-Funds will not bear a pro rata of the costs and expenses incurred in connection with the incorporation of the Company and the initial issue of Shares, which have not already been written off at the time of the creation of the additional Sub-Fund.
- 13.5. Information on fees, charges and expenses as well as the estimated maximum amounts of these fees, charges and expenses are made available to Investors upon their request at the registered office of the Company.

14. TAXATION

Important disclaimer

- 14.1. The following is based on the Company's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Issuing Document or at the time of an investment will endure indefinitely.
- 14.2. Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Taxation of the Company in Luxembourg

- 14.3. Under current law and practice, the Company is exempt from any Luxembourg corporation taxes and net wealth tax. However, interest, dividend and capital gains received by the Company may be subject to irrecoverable withholding taxes or other taxes in the country where such interest, dividends or gains originate.
- 14.4. The Company should be liable to an annual subscription tax (*taxe d'abonnement*) which is presently set at 0.01% of the value of the Company's net assets. This subscription tax is payable quarterly based on the Company's Net Asset Value calculated at the end of each quarter.
- 14.5. No ad valorem duty or tax is payable in Luxembourg in connection with the issuance of Shares by the Company.

Taxation of Shareholders in Luxembourg

- 14.6. The information provided in this Clause 14.6 is limited to certain aspects of the taxation of Shareholders in Luxembourg in respect of their holding of Shares and does neither include a complete analysis of all possible situations existing from a Luxembourg tax perspective, nor an analysis of their taxation resulting from the underlying investments of the Company.

Income taxation

(a) Resident Shareholders

Under the 2007 Act, dividends, liquidation proceeds and capital gains derived by Luxembourg resident Shareholders from their Shares should not be subject to any withholding taxes in Luxembourg.

Dividends derived by Luxembourg resident individual Shareholders (acting in the course of either the management of their private wealth or the management of a professional or business undertaking) from the Shares should be subject to income tax at ordinary rates.

For Luxembourg resident individual Shareholders acting in the course of the management of their private wealth, capital gains realized on the redemption or sale of the Shares should only be subject to income tax in Luxembourg (i) if such Shares are redeemed or sold within a period of six (6) months since their acquisition or (ii) if the Shareholder holds or has held (either solely or together with his spouse or partner and minor children) directly or indirectly more than 10% of the issued share capital of the Company at any time during a period of five years before the realization of the capital gain.

Capital gains realized on the disposal of the shares by Luxembourg resident individual Shareholders who act in the course of the management of a professional or business undertaking should be subject to income tax at ordinary rates.

Dividends and capital gains realized by Luxembourg resident corporate Shareholders should be fully subject to Luxembourg corporation taxes at ordinary rates. However, a Shareholder which is a Luxembourg resident entity governed by the 2010 Act, by the 2007 Act or by the act of 11 May 2007 on the family estate management company should not be subject to any corporation taxes in respect of dividends and capital gains derived from the Shares.

(b) Non-resident Shareholders

Under current legislation, non-resident Shareholders should not be subject to any capital gains or income taxes in Luxembourg with respect to their Shares, except if they have a permanent establishment or a permanent representative in Luxembourg through which/whom such Shares are held. Non-resident Shareholders which/who have neither a permanent establishment nor a permanent representative in Luxembourg are in principle not required to make any tax filing in Luxembourg in respect of the acquisition, holding or disposal of Shares. Non-resident Shareholders which/who have a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, should include income received, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes.

Savings Directive

The Savings Directive applied by EU Member States as from 1 July 2005 and was implemented into Luxembourg law by the 2005 Act. The Company is currently considered by the Luxembourg tax authorities as outside the scope of the Savings Directive. On 18 March 2014 the Luxembourg government tabled a bill with the aim of amending the 2005 Act. Pursuant to this amendment, the previous withholding tax regime has been replaced with an automatic exchange of information system with effect from 1 January 2015.

In addition, on 24 March 2014 the EU Council of Ministers adopted a revised Savings Directive. The revised Savings Directive has to be transposed into national law by EU member states by 1 January 2016. The revised Savings Directive will most likely, once transposed into Luxembourg law, broaden the scope of the Savings Directive and the revised 2005 Act to include, among others, all investment funds and schemes, whether or not they qualify as UCITS. Consequently, the Company will generally fall within the scope of the revised Savings Directive and the revised 2005 Act from such time.

On 10 November 2015 the Savings Directive (as amended in March 2014) was repealed by the European Council with effect from 1 January 2016. This is because the proposed revisions to the Administration Cooperation Directive providing for the automatic exchange of financial account information between EU Member States and the new CRS cover all the areas that had previously been covered by the Savings Directive. The revised Administration Cooperation Directive entered into force on 1 January 2016.

CRS

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the CRS to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017. The Grand Duchy of Luxembourg has committed to implement the CRS. As a result the Company will be required to comply with the CRS due diligence and reporting requirements, as adopted by the Grand Duchy of Luxembourg. Investors may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company.

The Company may take such action as it considers necessary in accordance with applicable law in relation to an Investor's holding to ensure that any withholding tax payable by the Company, and any related costs, interest, penalties and other losses and liabilities suffered by the Company, the Administrator or any other Investor, or

any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such Investor's failure to provide the requested information to the Company, is economically borne by such Investor.

Net Wealth Tax

An individual Shareholder, whether he/she is a tax resident of Luxembourg or not, should not be subject to net wealth tax in Luxembourg.

A resident corporate Shareholder should be subject to net wealth tax on the net value of its Shares, except if such corporate Shareholder is governed by the 2010 Act, 2007 Act, the act of 22 March 2004 on securitization, as amended, the act of 15 June 2004 on investment companies in risk capital, as amended, or the act of 11 May 2007 on family estate management companies.

Non-resident corporate Shareholders should only be subject to net wealth tax in Luxembourg with respect to their Shares if and to the extent that such shares are held through a permanent establishment or a permanent representative in Luxembourg.

Other taxes

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable by the Shareholder upon the acquisition, holding or disposal of the Shares.

However, a fixed registration duty of EUR 12 may be due upon registration of the Shares in Luxembourg in the case of legal proceedings before Luxembourg courts, in case the Shares must be produced before an official Luxembourg authority, or in the case of a registration of the Shares on a voluntary basis.

When the Shareholder is a Luxembourg resident for inheritance tax assessment purposes at the time of his/her death, the Shares are included in his/her taxable estate for Luxembourg inheritance tax assessment purposes.

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

FATCA

- 14.7. The Company will be required to comply (or be deemed compliant) with extensive new reporting and withholding requirements [imposed by the Foreign Account Tax Compliance provisions \(FATCA\), which are](#) designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company to U.S. withholding taxes on certain U.S.-sourced income and (effective 1 January 2019) gross proceeds. Shareholders may be requested to provide additional information to the Fund to enable the Fund to satisfy these obligations.
- 14.8. On 28 March 2014, the U.S. Department of the Treasury signed a Model 1 non-reciprocal intergovernmental agreement with the Grand Duchy of Luxembourg (the

“**Model 1 IGA**”) under which the Company will need to provide certain specified information regarding U.S. owned Shareholder accounts with the Company. The Luxembourg tax authorities will then forward such information to the U.S. Internal Revenue Service (the “**IRS**”) on an automatic basis. By complying with the Model 1 IGA, the Company should be deemed compliant with FATCA. As a result, FATCA withholding taxes generally should not be imposed on either the Company or Shareholders. Nevertheless, detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the impact of any such guidance on future operations of the Company.

- 14.9. Although the Company will attempt to satisfy any obligations imposed on it under FATCA in order to avoid the imposition of this withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to withholding as a result of FATCA, the return of all Shareholders may be materially affected. Moreover, the Company may reduce the amount payable on any distribution or redemption made to a Shareholder that fails to provide the Company with the information requested to satisfy its obligations under FATCA and the Model 1 IGA. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA in connection with acquiring or holding a Share or any other interest in the Company.
- 14.10. Furthermore, the ability of the Company to comply with FATCA and the Model 1 IGA will depend on each Shareholder providing the Company with any information requested concerning the direct or indirect equity owners of each such Shareholder. If any Shareholder fails to provide any information requested by the Company, the Company may exercise its right to mandatorily redeem such Shareholder and/or create a separate Class for such Shareholder, and charge such Shareholder for any U.S. withholding tax attributable to such Shareholder’s failure to provide the requested information.
- 14.11. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE US INTERNAL REVENUE SERVICE, INVESTORS ARE INFORMED THAT ANY US FEDERAL INCOME TAX ADVICE CONTAINED IN THIS COMMUNICATION WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (I) AVOIDING US FEDERAL TAX-RELATED PENALTIES UNDER THE US INTERNAL REVENUE CODE OR (II) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY US FEDERAL INCOME TAX-RELATED MATTERS ADDRESSED HEREIN.

15. ACCOUNTING YEAR – ANNUAL REPORT – GENERAL MEETING – DOCUMENTS AVAILABLE

Accounting year and Annual Report

- 15.1. The accounting year of the Company commences on 1 July and terminates on 30 June.
- 15.2. The Company publishes an Annual Report on its activities and on the management of its assets. The Annual Report will include, inter alia, the combined accounts relating

to all the Sub-Funds, a detailed description of the assets and liabilities of each Sub-Fund and a report from the Auditor. The first Annual Report was made available as at 30 June 2009.

General Meeting

- 15.3. The annual General Meeting takes place in the municipality of Senningerberg at a place specified in the notice of the annual General Meeting on the second Tuesday of the month of December at 14h00 (Luxembourg time). If such day is not a Business Day in Luxembourg, the annual General Meeting shall be held on the next following day which is a Business Day.
- 15.4. Notice of any General Meeting including those considering amendments to the Articles or the dissolution and liquidation of the Company or of any Sub-Fund will be mailed to each registered Shareholder at least 8 days prior to the General Meeting and will be published to the extent required by Luxembourg Law in the Mémorial.
- 15.5. If the Articles are amended, such amendments will be filed with the *Registre de Commerce et des Sociétés* of Luxembourg and published in the Mémorial.
- 15.6. Shareholders of any Sub-Fund or Class may hold, at any time, a General Meeting to decide on matters which relate exclusively to that Sub-Fund or Class.

Documents available for inspection by Shareholders

- 15.7. The following documents are available for inspection during usual business hours on any Business Day at the registered office of the Company:
 - (a) Articles;
 - (b) Handbook of Policies;
 - (c) Sub-Lease Contract;
 - (d) Supporting Services Agreement;
 - (e) Risk Monitoring Services Agreement;
 - (f) Agency Agreement;
 - (g) Algorithm Use Agreement;
 - (h) Depositary Agreement;
 - (i) Prime Brokerage Agreements;
 - (j) Administration Agreement; and
 - (k) Risk management process for each Sub-Fund.

15.8. Furthermore, copies of the latest version of the Issuing Document and of the Annual Report may be obtained upon request at the registered office of the Company.

16. DISSOLUTION AND LIQUIDATION

16.1. The Company has been established for an unlimited period of time.

16.2. The Company may at any time be dissolved by a resolution of the General Meeting subject to the quorum and majority requirements applicable for amendments to the Articles.

16.3. Whenever the share capital falls below two-thirds of the minimum capital indicated in article 5 of the Articles, the question of the dissolution of the Company will be referred to a General Meeting by the Board. The General Meeting, for which no quorum will be required, will decide by the simple majority of the Shares represented at the General Meeting.

16.4. The question of the dissolution of the Company will also be referred to the General Meeting whenever the share capital falls below one-fourth of the minimum capital set by article 5 of the Articles; in such event, the General Meeting will be held without any quorum requirement and the dissolution may be decided by Shareholders holding one-fourth of the Shares represented at the General Meeting.

16.5. The General Meeting must be convened so that it is held within a period of 40 days as from ascertainment that the net assets have fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

16.6. Liquidation will be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the regulatory authority and appointed by the General Meeting which will determine their powers and their compensation.

16.7. The net proceeds of liquidation corresponding to the relevant Sub-Fund or Class will be distributed by the liquidators to the holders of Shares of that Sub-Fund or Class in proportion to their holding of Shares in that Sub-Fund or Class.

16.8. Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the 2007 Act. The 2007 Act specifies the steps to be taken to enable shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the *Caisse de Consignations* at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period will be liable to be forfeited in accordance with the provisions of Luxembourg Law.

17. AMENDMENTS OF PART A

17.1. Subject to the approval of the CSSF, the Board may amend Part A as follows:

- (a) Where the change is determined by the Board not to be material, upon decision of the Board; or

- (b) Where the change is determined by the Board to be material, only upon the Company's Consent.
- 17.2. Amendment of any investment objective, restriction or policy is a material change.
- 17.3. Shareholders will be notified by the Company of all amendments that are adopted without their consent in accordance with Clause 17.1(a) above. Shareholders will be notified in advance of any proposed material change to the Issuing Document to ensure that they are able to make an informed judgment in respect of the expected amendments further to Clause 17.1(b) above.
- 17.4. No variation may be made to this Clause 17 without unanimous consent of all Shareholders.
- 17.5. Any amendment to Part A that would result in a discrepancy between the terms and provisions of the Articles and those of this Issuing Document shall be subject to the prior amendment of the Articles, in accordance with the provisions of the 1915 Act and the Articles.

PART B: SPECIFIC INFORMATION

Section I: Aphilion SIF – LS

1. INVESTMENT POLICY

Investment Objectives

- 1.1. The main objective of Aphilion SIF - LS (the **Sub-Fund**) is to achieve long-term and optimal return from the active management of a portfolio composed of long and short positions in Financial Instruments. The Sub-Fund will mainly take long and short positions on transferable securities listed on a Regulated Market in an OECD country.
- 1.2. The Sub-Fund will invest in equity issued by companies active in various economical sectors such as but not limited to manufacture, financial services, logistic and transportation, tourism and leisure, pharmaceutical and chemical industry or construction and IT.
- 1.3. The cornerstone of the Sub-Fund's investment strategy is a proprietary quantitative (statistical) model developed by the Algorithm Owner (as defined below). The results obtained by this model will be taken into account in the investment process. Based on these results, the Board may decide to go long if the relevant stock is considered as undervalued or to go short if the stock is considered overvalued. For the avoidance of doubt, decision to buy or sell a stock is solely taken by the Board.
- 1.4. The Sub-Fund is entitled to enter into derivative transactions such as options, futures, forwards and contracts for difference or swaps on Financial Instruments, interest rates, currencies or financial indices. The Sub-Fund may follow an active hedge strategy in the context of an efficient portfolio management or hedge away unintended risks. Efficient portfolio management means that the relevant transaction is economically appropriate implying that it is cost-effective as well as that it has been made with the aim to reduce risks or costs or to generate additional capital or income by taking into account the investment policy and the risk profile of the Sub-Fund.

Investment Restrictions

- 1.5. The Sub-Fund is subject to the investment restrictions laid down under Clause 1.2 of Part A.
- 1.6. The Sub-Fund is allowed to invest in any other type of assets than Financial Instruments to the extent of 10% of its Net Asset Value.
- 1.7. The Sub-Fund shall only take long and/or short positions in excess of 30% of its Net Asset Value on shares issued by ETFs if the relevant ETF (i) complies with the conditions mentioned under Clause 1.2 of Part A and if (ii) it represents a major stock exchange index such as but not limited to Euro Stoxx 50 or S&P 500.

Proprietary quantitative (statistical) model provided by the Algorithm Owner

- 1.8. The Board manages the Sub-Fund on the basis of data provided by Quantile, S.à r.l. (the **Algorithm Owner**). The Algorithm Owner's registered office at 5, rue Prince

Jean, L-4740 Pétange. The Algorithm Owner is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under the number B 138.751.

- 1.9. The Algorithm Owner made the results of its algorithm available to the Company for the account of the Sub-Fund further to the algorithm use agreement effective as 1 April 2015 (the **Algorithm Use Agreement**). The Algorithm Use Agreement can be terminated by either party by giving not less than three months' prior notice to the other party.
- 1.10. The algorithm is a proprietary quantitative (statistical) model which tracks over 4,000 stocks worldwide. For each stock both the underlying fundamental data of the issuer and the valuation given by the financial markets are taken into account by the quantitative model. As a result each movement of a relevant stock price involved by changes in either fundamental data of the issuer or in the valuation of the relevant stock by the financial market is tracked by the model.
- 1.11. The main fundamental criteria in relation to the underlying profitability of a relevant issuer are the consensus earnings estimate. The model examines how each stock reacts to changes in earning estimates for the relevant issuer. When the specific issuer component has been filtered out of stock price movement, the remaining part of the movement provides information on the market perception of the relevant stock (e.g. risk premium, sensitivities to evolution of interest rates, sector rotations). The combination of both provides indications in relation to the appropriate valuation of a relevant stock. The quantitative model ensures a daily real-time follow-up.
- 1.12. The results issued by this model will be taken into account by the Board in the management of the Sub-Fund's portfolio. For the avoidance of doubt, the decision to buy or sell assets for the account of the Sub-Fund is solely taken by the Board.
- 1.13. The Algorithm Owner will receive out of the A Class a Maintenance Fee of 2.00% p.a. based on the Net Asset Value of Class A calculated and accrued as of each Valuation Day. The Maintenance Fee will be paid quarterly.
- 1.14. In addition, the Algorithm Owner will receive a Performance Fee of 20% of the total net return calculated and accrued as of each Valuation Day on the Net Asset Value of Class A. The Performance Fee will be paid annually. The Performance Fee is subject to a high-water-mark and to the equalisation mechanism as described under Clause 8 of this Section.

2. CLASSES OF SHARES

- 2.1. At the date of this Issuing Document, the Board has decided to issue the following two types of Classes within the Sub-Fund.

Shares of Class A

- 2.2. Shares of Class A are reserved to Well-Informed Investors who/which are not Restricted Investors.

- 2.3. Shares of Class A are subject to the Maintenance Fee and the Performance Fee as described under Clause 1.3 above.

Shares of Class B

- 2.4. Shares of Class B are reserved, subject to the control and the approval of the Board, to Investors who contribute within the widest meaning to the management of the assets of the Sub-Fund including but not limited to Directors.
- 2.5. Shares of Class B are neither subject to the Maintenance Fee nor to the Performance Fee.

3. SUBSCRIPTION OF SHARES

- 3.1. Application for a subscription of Shares must be placed at the registered office of the Company not later than three Business Days preceding the relevant Valuation Day at 12h00 (Luxembourg time). Applications received after that time will be processed on the next Valuation Day.
- 3.2. The subscription price for Shares of Class A will be equal to the Net Asset Value per Share as of the relevant Valuation Day increased by a Subscription Fee of 2.00% of the subscription amount. The Board can decide to reduce or to waive the Subscription Fee.
- 3.3. The subscription price for Shares of Class B will be equal to the Net Asset Value per Share as of the relevant Valuation Day.
- 3.4. Payment for subscription must be received within five Business Days after the Net Asset Value has been calculated and communicated.

4. REDEMPTION OF SHARES

- 4.1. Application for redemption of Shares must be placed at the registered office of the Company or the Administrator not later than three Business Days prior to the relevant Valuation Day at 12h00 (Luxembourg time). Applications received after that time will be processed as of the next Valuation Day.
- 4.2. The redemption price will be equal to the Net Asset Value as of the relevant Valuation Day. No Redemption Fee will be charged.
- 4.3. Payment for redemptions will be made within five Business Days from the relevant Valuation Day.
- 4.4. If redemption requests relate to more than 10% of the Shares in issue of the Sub-Fund, the Board may decide that part or all of such requests for redemption will be deferred proportionally for such period as the Board considers to be in the best interests of the Sub-Fund, but normally not exceeding one Valuation Day. Under exceptional circumstances, at the discretion of the Board, a partial payment in kind is possible.

5. CONVERSION OF SHARES

- 5.1. Shares issued within one Class cannot be converted into Shares of another Class.

6. CURRENCY

- 6.1. The currency of the Sub-Fund is EUR.

7. NET ASSET VALUE CALCULATION

- 7.1. The Net Asset Value per Share Class A is calculated, under the overall responsibility of the Board, twice per month – i.e., as at the fifteenth calendar day and as at the last calendar day of each month (each a **Valuation Day**).
- 7.2. The Net Asset Value per Share of Class B is calculated, under the overall responsibility of the Board, as at the last calendar day of each month.
- 7.3. The Net Asset Value will be available at the registered office of the Company and the Administrator.

8. EQUALISATION

- 8.1. The system of equalisation as described below will be applied to the Shares issued within the A Class.
- 8.2. The equalisation shall ensure that the performance is effectively calculated on a share-by-share basis so that each Share receives the performance that equates with that Share's performance. This method of calculation ensures that (i) the performance paid to the holder of Shares is only charged to those Shares that have appreciated in value, (ii) all Shareholders have the same amount per Share at risk, and (iii) all Shares have the same Net Asset Value per Share. The equalisation method adopted is usually referred to as the "Equalisation Share Adjustment Approach" according to which Investors subscribe against the gross asset value (the **Gross Asset Value**) per Share and redeem against the Net Asset Value per Share. If an Investor subscribes for Shares at a time when the Net Asset Value per Share is other than the peak net asset value (the **Peak Net Asset Value**), certain adjustments will be made to reduce inequities that could otherwise result to the subscriber, the existing or exiting Shareholders. This can be explained as follows.
- 8.3. If Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share (such Net Asset Value per Share at which such Shares are subscribed for being the initial **Base Net Asset Value** per Share for such Shares), the Investor shall be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares.
- 8.4. At the end of each performance fee period (the **Performance Fee Period**) the Base Net Asset Value per Share will be updated to the greater of (i) the existing Base Net Asset Value per Share, and (ii) the minimum of (x) the then current Net Asset Value per Share, and (y) the Peak Net Asset Value per Share. The Base Net Asset Value per Share will be updated and taken into account until the Net Asset Value per Share as at

the end of a period of calculation of the Performance Fee has reached the Peak Net Asset Value per Share

- 8.5. With respect to any appreciation in the value of those Shares from the Base Net Asset Value per Share up to the Peak Net Asset Value per Share, an equalisation deficit (the **Equalisation Deficit**) will be taken into account. The Equalisation Deficit is calculated as the relevant Performance Fee percentage of any such appreciation, and will be applied at the end of each Performance Fee Period by redeeming at the then current Net Asset Value per Share such number of the Shareholder's Shares as have an aggregate value equal to the relevant Performance Fee percentage of the difference between (i) the minimum of (x) the then current Net Asset Value per Share, and (y) the Peak Net Asset Value per Share, and (ii) the Base Net Asset Value per Share of the relevant subscription, multiplied by the number of the relevant Shareholder's Shares which are subject to the Equalisation Deficit (such redemption being a performance fee redemption). The Shareholder's Shares will continue to be so redeemed at the end of each Performance Fee Period until the Base Net Asset Value per Share of the relevant subscription reaches the Peak Net Asset Value per Share. The aggregate Net Asset Value of the Shares so redeemed will be paid to the Algorithm Owner as a Performance Fee. Performance fee redemptions are employed to ensure that the Company maintains a uniform Net Asset Value per Share within the A Class. As regards the Shareholder's remaining Shares, any appreciation in the Gross Asset Value per Share of those Shares above the Peak Net Asset Value per Share will be charged a Performance Fee in the normal manner.
- 8.6. If a Shareholder redeems his Shares at a time when the Base Net Asset Value per Share of such Shares is under the Peak Net Asset Value per Share, the Shareholder will be charged, with respect to his or her Shares subject to an Equalisation Deficit, an amount equal to the relevant Performance Fee percentage of the difference between (i) the minimum of (x) the then current Net Asset Value per Share, and (y) the Peak Net Asset Value per Share, and (ii) the Base Net Asset Value per Share of the relevant subscription, multiplied by the number of Shares so redeemed.
- 8.7. If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share of the relevant Class, the Investor shall be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to the relevant Performance Fee percentage of the difference between the then current Gross Asset Value per Share of that Class and the Peak Net Asset Value per Share of that Class (such excess amount, an Equalisation Credit). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the outstanding Shares of the A Class (the maximum Equalisation Credit). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders and serves as a credit against Performance Fee that might otherwise be payable by the A Class, but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the A Class have the same amount of capital at risk per Share.

- 8.8. After the Initial Subscription Period, Shares will be issued at the Net Asset Value. The additional amount invested as the Equalisation Credit will be at risk in the Company and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares, but will never exceed the maximum Equalisation Credit and will never become negative. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of the Shares, the Equalisation Credit will also be reduced by an amount equal to the relevant Performance Fee percentage of the difference between the Gross Asset Value per Share at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the A Class will result in the recapture of any reduction in the Equalisation Credit, but only to the extent of the previously reduced Equalisation Credit up to the maximum Equalisation Credit.
- 8.9. At the end of each Performance Fee Period, if the Gross Asset Value per Share exceeds the Peak Net Asset Value per Share, the Equalisation Credit applicable at that time, multiplied by the number of Shares subscribed for by the Shareholder, shall be applied to subscribe for additional Shares for the Shareholder. Additional Shares shall continue to be so subscribed for at the end of each Performance Fee Period until the Maximum Equalisation Credit has been fully applied.
- 8.10. If the Shareholder redeems his or her Shares before the Equalisation Credit has been fully applied, as it may have appreciated or depreciated after the original subscription for Shares was made, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription,
- 8.11. In case of a partial redemption from a shareholding consisting of multiple subscriptions, the application of the “first-in-first-out” method might result in the definitive loss of a potential Equalisation Credit related to the Shares redeemed, while the remaining Shares of the shareholding might not (to the same extent) carry such potential of an Equalisation Credit appreciation.
- 8.12. A Shareholder’s Performance Fee deficit or credit resulting from equalisation is referred to as an equalisation adjustment.
- 8.13. The Performance Fee will be paid on an annual basis and will crystallise as to 30 June of each year and for the first time as to 30 June 2009.

9. AMENDMENT OF THIS SECTION

- 9.1. Subject to the approval of the CSSF, the Board may amend this Section of Part B as follows:
- (a) Where the change is determined by the Board not to be material, upon decision of the Board; or
 - (b) Where the change is determined by the Board to be material, only upon the Sub-Fund’s Consent.

- 9.2. Amendment of any investment objective, restriction or policy is a material change.
- 9.3. Shareholders will be notified by the Company of all amendments that are adopted without their consent in accordance with Clause 9.1(a) above. Shareholders will be notified in advance of any proposed material change to the Issuing Document to ensure that they are able to make an informed judgment in respect of the expected amendments further to Clause 9.1(b) above.
- 9.4. No variation may be made to this Clause 9 without unanimous consent of all Shareholders of this Sub-Fund.