

## **Coeli SICAV II**

**Incorporated with limited liability in the Grand Duchy of Luxembourg as an investment company with variable capital (Société d'Investissement à Capital Variable (SICAV))**

**Registered pursuant to Part II of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended**

Coeli SICAV II – Absolute European Equity  
Coeli SICAV II – European Opportunities  
COELI SICAV II – Global Opportunities  
COELI SICAV II – Renewable Opportunity

**December 2021**

**Prospectus**

## **Important Information**

Coeli SICAV II (the "**Fund**") is offering shares (the "**Shares**") of one or several separate sub-funds (individually a "**Sub-Fund**" and collectively the "**Sub-Funds**") on the basis of the information contained in this prospectus (the "**Prospectus**") and in the documents referred to herein. No person is authorized to give any information or to make any representations concerning the Fund other than as contained in this Prospectus and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus shall be solely at the risk of the investor.

Subscriptions for Shares are accepted on the basis of this Prospectus, the Key Investor Information Documents (the "**KIIDs**") and the most recent audited annual report or semi-annual report of the Fund (if more recent than such annual report) which are available at the registered office of the Fund in Luxembourg. Subscriptions for Shares are subject to acceptance by the Fund.

KIIDs are made available to retail investors before subscribing to Shares on the following website of the Alternative Investment Fund Manager: [www.waystone.com](http://www.waystone.com) or in paper copy upon request.

The Shares to be issued hereunder shall be issued in one or several separate Sub-Funds of the Fund. 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 a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. 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 of incorporation of the Fund (the "**Articles**"), the board of directors of the Fund (the "**Board of Directors**") may issue Shares of different classes (individually a "**Class**" and collectively the "**Classes**") in each Sub-Fund; within each Sub-Fund, investors may then also choose the alternative Class features which are most suitable to their individual circumstances, given their qualification, the amount subscribed, the unit currency of the relevant Class and the fee structure of the relevant Class.

The Board of Directors has currently authorized the issuance of the Classes of Shares that are more fully described in Part B of the Prospectus for specific Sub-Funds.

Shares of the different Classes if any, within the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the net asset value (the "**Net Asset Value**") per Share of the relevant Class within the relevant Sub-Fund, as defined in the Articles.

The Board of Directors may, at any time, create additional Classes of Shares whose features may differ from the existing Classes and additional Sub-Funds whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated or supplemented accordingly.

The distribution of the Prospectus and the offering of the Shares may be restricted in certain jurisdictions. The Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the

responsibility of any person in possession of the Prospectus and of any person wishing to apply for Shares to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions.

**Luxembourg** – The Fund is an investment company with variable capital governed by the laws of the Grand Duchy of Luxembourg and is subject to Part II of the law of 17 December 2010 on undertakings for collective investment, as amended (the "**Law**"). The Fund qualifies as an alternative investment fund ("**AIF**") under the law of 12 July 2013 on alternative investment fund managers (the "**Law of 2013**").

The Articles give powers to the Board of Directors of the Fund to impose such restrictions as they may think necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Fund incurring any liability or taxation or suffering any other disadvantage which the Fund may not otherwise have incurred or suffered (such persons being referred to as the "**Prohibited Persons**"). The Fund may compulsorily redeem all Shares held by any such persons.

The value of the Shares may fall as well as rise and a shareholder on transfer or redemption of Shares may not get back the amount initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Shares to go up or down. The levels and bases of, and reliefs from, taxation may change.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption or disposal of the Shares of the Fund.

All references in the Prospectus to EUR are to the legal currency respectively of the Grand Duchy of Luxembourg and to the legal currency of the countries participating in the Economic and Monetary Union. All references in the Prospectus to SEK are to the legal currency of Sweden. All references in the Prospectus to USD are to the legal currency of the United States of America.

All references to "**Business Day**" refer to any full day on which banks are generally open for non-automated business in Luxembourg City unless otherwise stated in the specific information relating to the Sub-Funds.

## **DIRECTORY**

### ***Registered Office***

11-13, boulevard de la Foire  
L-1528 Luxembourg  
Grand Duchy of Luxembourg

### ***Directors***

#### ***Chairman:***

Mr. Stefan Renno  
Independent Director  
Quadra s.a.r.l  
12 Rue Roger Frisch  
4956 Hautcharage  
Luxembourg

#### ***Members:***

Ms. Kristin Holmström (former Sterner)  
Head of Operations  
Coeli Asset Management AB  
Sveavägen, 24-26,  
11157 Stockholm  
Sweden

Mr. Lukas Lindkvist  
Chief Executive Officer  
Coeli Asset Management AB  
Sveavägen, 24-26,  
11157 Stockholm  
Sweden

### ***Alternative Investment Fund Manager***

Waystone Management Company (Lux) S.A.  
19, rue de Bitbourg  
L-1273 Luxembourg  
Grand Duchy of Luxembourg

### ***Directors of the Alternative Investment Fund Manager***

#### ***Chairman:***

Géry Daeninck (Chairman)  
Independent Director

***Members:***

Martin Peter Vogel  
Chief Executive Officer, Waystone Management Company (Lux) S.A.

John Li How Cheong  
Independent Director

***Depository and Principal Paying Agent***

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

***Central Administration Agent, Domiciliary Agent and Registrar and Transfer Agent***

RBC Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

***Auditor***

PricewaterhouseCoopers S.C., Luxembourg  
2, rue Gerhard Mercator  
B.P. 1443  
L-1014 Luxembourg  
Grand Duchy of Luxembourg

***Legal Adviser***

Elvinger Hoss Prussen, société anonyme  
2, place Winston Churchill  
L-1340 Luxembourg  
Grand Duchy of Luxembourg

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## PART A – GENERAL INFORMATION RELATING TO THE FUND

### PRINCIPAL FEATURES

#### **Structure**

The Fund is an open-ended investment company with variable capital incorporated under the laws of the Grand Duchy of Luxembourg as a *Société d'Investissement à Capital Variable* ("**SICAV**"). The Fund is subject to Part II of the Law and qualifies as an AIF under the Law of 2013.

The Fund has been incorporated on 6 March 2014 for an unlimited period. The Articles have been published on 3 April 2014 in the *Mémorial C, Recueil des Sociétés et Associations* (the "**Mémorial C**").

The Fund is an umbrella Fund and as such provides investors with the choice of investment in a range of several separate Sub-Funds each of which relates to a separate portfolio of liquid assets and other securities and assets permitted by law with specific investment objectives, as described in Part B of the Prospectus.

#### **Applicable laws and jurisdiction**

The Fund is governed by the Laws of the Grand Duchy of Luxembourg.

By entering into the Fund's subscription documents the relevant investor will enter into a contractual relationship governed by Articles, the Prospectus and applicable laws and regulations.

The subscription documents will be subject to the exclusive jurisdiction of the courts of Luxembourg to settle any dispute or claim arising out of or in connection with a shareholder's investment in the Fund or any related manner.

According to EU Regulation 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, a judgment given in a member state of the European Union shall be recognised in the other member states of the European Union without any special procedure being required and shall be enforceable in the other member states of the European Union without any declaration of enforceability being required if it is enforceable in that member state.

#### **Investment Choice**

For the time being, the Fund offers Shares in those Sub-Funds as further described individually in Part B of the Prospectus.

Upon creation of new Sub-Funds, the Prospectus shall be updated accordingly.

#### **Share Classes**

All Sub-Funds may offer more than one Class of Shares. Each Class of Shares within a Sub-Fund may have different features or be offered to different types of investors, but will participate in the assets of that Sub-Fund.

### ***Minimum Investment and Holding***

The minimum initial and subsequent investments as well as the minimum holding requirements are set out for each Sub-Fund in Part B of the Prospectus. The Board of Directors may waive such amounts if it is in the interest of the Fund or its investors.

### ***Offer Price***

After the Initial Offer Period (specified for each Sub-Fund/Class in Part B of the Prospectus), the Offer Price of the Shares will be equal to the Net Asset Value per Share of the relevant Class within the relevant Sub-Fund.

### ***Dealing***

Shares may normally be purchased or redeemed at prices based on the Net Asset Value per Share of the relevant Class within the relevant Sub-Fund on the relevant Valuation Day of each Sub-Fund (specified for each Sub-Fund in Part B of the Prospectus).

### ***Listing***

The Shares of each Sub-Fund may be listed on the Luxembourg Stock Exchange. Part B of the Prospectus will specify if the Shares of a particular Sub-Fund are to be listed.

## **INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS**

### ***Investment Objective***

The Fund has as investment objective to provide a favourable rate of return, while controlling risk and to achieve long term capital growth.

### ***Investment Strategy***

The investment strategy of each Sub-Fund is individually set out in Part B of the Prospectus. Different investment managers may be appointed, with the prior consent of the Fund, by the Alternative Investment Fund Manager (the "**AIFM**") to manage each Sub-Fund (each an "**Investment Manager**", together the "**Investment Managers**").

### ***Changes to the Investment Objective and Strategies***

Any material change to the investment objective and/or the investment strategies of a Sub-Fund decided by the Fund shall be reflected into the Prospectus after receipt of relevant approval of at least such material change from the *Commission de Surveillance du Secteur Financier* ("**CSSF**") and shall be notified to the relevant shareholders one month before this material change becomes effective, thus enabling the relevant shareholders, prior to the effective date to redeeming their Shares free of applicable redemption charge (rather than accepting the material change) if they so elect. Any material change may enter into force at an earlier date if all shareholders waive their right to the one-month prior notice.



## ***Investment restrictions***

Depending on the investment strategy of each Sub-Fund, certain of the investment restrictions set out below may not be applicable to the relevant Sub-Fund. The investment restrictions which are not applicable to a given Sub-Fund are set out in Part B of the Prospectus. Additional investment restrictions can also be specified for a particular Sub-Fund in Part B of the Prospectus. Furthermore, the restrictions relating to risk diversification requirements set out hereafter in the Prospectus shall not apply during a period of six (6) months following the launching of each Sub-Fund.

### **1. Restrictions applicable to investments in underlying funds**

The Fund may, in principle, not invest more than 20% of the net assets of each Sub-Fund in securities issued by the same underlying fund. For the purpose of this 20% limit, each sub-fund of an underlying fund with multiple compartments is to be considered as a distinct underlying fund provided that the principle of segregation of the commitments of the different sub-funds of an underlying fund towards third parties is ensured. Each Sub-Fund may hold more than 50% of the units or shares of an underlying fund, provided that, if the underlying fund is an underlying fund with multiple compartments, the investment of the Sub-Fund in the legal entity constituting the underlying fund represents less than 50% of the net assets of the relevant Sub-Fund.

These restrictions are not applicable to the acquisition of units of open-ended underlying funds if such underlying funds are subject to risk diversification requirements comparable to those applicable to undertakings for collective investment which are subject to Part II of the Law and if such underlying funds are subject in their home country to a permanent supervision by a supervisory authority set up by law in order to ensure the protection of investors. Only funds which have been set up in a member state of the European Economic Area ("**EEA**", i.e. the member states of the European Union and Iceland, Liechtenstein and Norway), Switzerland, the United States of America, Canada, Hong-Kong, Australia or Japan are deemed to meet such condition. This derogation may not result in an excessive concentration of the investments of each Sub-Fund in one single underlying fund provided that for the purpose of this limitation, each compartment of an underlying fund with multiple compartments is to be considered as a distinct underlying fund if the principle of segregation of the commitments of the different compartments towards third parties is ensured.

Each Sub-Fund can invest exclusively in underlying funds governed by any foreign legislation including underlying funds not submitted in their state of origin to permanent supervision performed by a regulatory authority in order to ensure the protection of investors as for example, the British Virgin Islands, the Cayman Islands, the Netherlands Antilles or other legislations.

When a Sub-Fund invests in other underlying funds the Sub-Fund may be liable to transaction costs such as sales charges and redemption charges as well as to investment management fees.

Each Sub-Fund may only invest up to 15% of its net assets in open-ended or closed-ended underlying funds investing themselves mainly in investment funds ("**funds of funds**") provided that such a decision will not result in an accumulation of fees detrimental to the relevant Sub-Fund's shareholders. The Investment Manager of a particu-

lar Sub-Fund will consider any resulting indirect investment in an investment fund. The reasons behind such investments are that:

- they may provide the Sub-Funds indirect access to underlying funds, which do not accept new subscriptions;
- certain funds of funds offer more favourable liquidity conditions than other underlying funds in which they invest;
- certain funds of funds investing in other underlying funds and specialized in one or a limited number of management strategies may offer the Sub-Fund a significant degree of diversification.

Each Sub-Fund makes sure that its portfolio of underlying funds presents appropriate liquidity features to enable the Fund to meet its obligation to repurchase its shares.

Each Sub-Fund may invest in Shares issued by another Sub-Fund of the Fund (the "**Target Sub-Fund**") provided that:

- the Target Sub-Fund does not invest in the Sub-Fund invested in the Target Sub-Fund; and
- no more than 10% of the assets of the Target Sub-Fund may pursuant to its investment policy be invested in aggregate in Shares of other Sub-Funds of the Fund; and
- voting rights, if any, attaching to the relevant Shares are suspended for as long as they are held by the Sub-Fund invested in the Target Sub-Fund and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- for as long as the Shares of the Target Sub-Fund are held by the Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the Law.

When a Sub-Fund invests a substantial proportion of its assets in UCITS and/or other UCIs, the maximum level of the investment management fees that may be charged both to the Sub-Fund itself and to the UCITS, and/or other UCIs in which the Sub-Fund intends to invest will not exceed 2.5%. In the annual report, it shall be indicated the maximum proportion of investment management fees charged both to each such Sub-Fund and to the UCITS and/or other UCIs, in which they invest.

## **2. Restrictions applicable to investments in transferable securities other than those issued by an underlying fund**

A. In addition to the investment restrictions referred to in section 1. above, the Fund shall, in principle, not:

- (1). invest more than 10% of the assets of each Sub-Fund in transferable securities which are not quoted on a stock exchange or dealt on another regulated market, which operates regularly and is recognised and open to the public (a "**Regulated Market**");

- (2). acquire more than 10% of the securities of the same nature issued by the same issuer;
- (3). invest more than 20% of the assets of each Sub-Fund in securities issued by the same issuer.

The restrictions set forth under (1), (2). and (3). above are not applicable to units or shares issued by underlying funds, to which apply the restrictions set forth in section 1. here above.

- B. The limit of 20% stipulated in point (3) or otherwise stated in the additional investment restrictions in Part B is raised up to 35% if the transferable securities and money market instruments are issued or guaranteed by an European Union member state, by its regional authorities, by any third State or by international public organisations of which several European Union member states are a member.
- C. The limit of 20% or otherwise stated in the additional investment restrictions in Part B set forth above under (3) is increased up to 25% in respect of qualifying debt securities issued by a credit institution, which has its registered office in an European Union member state, and which, under applicable law, is submitted to specific public control, in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities, the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.
- D. Notwithstanding the ceilings set forth in this Prospectus, each Sub-Fund is authorised to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in transferable securities and money market instruments issued or guaranteed by an EU member state, by its local authorities, by any other member state of the Organisation for Economic Cooperation and Development ("OECD"), by any member state of the G20, Singapore or by a public international body of which one or more member state(s) of the European Union are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.

### **3. Rules for diversification of risks regarding short sales**

- a. Short sales may not result in a Sub-Fund holding:
  - (1). a short position on transferable securities which are not listed on a stock exchange or dealt on another regulated market, operating regularly and being recognised and open to the public. However, each Sub-Fund may hold short positions on transferable securities which are not quoted and not dealt on a regulated market if such securities are highly liquid and do not represent more than 10% of the Sub-Fund's assets;

- (2). a short position on transferable securities which represent more than 10% of the securities of the same type issued by the same issuer;
  - (3). a short position on transferable securities of the same issuer, (i) if the sum of the cancelling price of the short positions relating thereto represents more than 10% of the Sub-Fund's assets or (ii) if the short position entails a commitment exceeding 5% of the assets.
- b. The commitments arising from short sales on transferable securities at a given time correspond to the cumulative non-realised losses resulting, at that time, from the short sales made by a Sub-Fund. The non-realised loss resulting from a short sale is the positive amount equal to the market price at which the short position can be covered less the price at which the relevant transferable security has been sold short.
  - c. The aggregate commitments of each Sub-Fund resulting from short sales may at no time exceed 50% of the 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 short sales.
  - d. The short 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.
  - e. The Sub-Funds are not authorised to enter into securities lending transactions. Should the Prospectus be amended in the future to provide that the Sub-Funds may enter in such transactions, they will do so with first class professionals specialised in this type of transaction. 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 20% 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.

#### **4. Borrowings**

A Sub-Fund may borrow permanently and for investment purposes from first class professionals specialised in this type of transaction.

Such borrowings are limited to 200% of the net assets of the relevant Sub-Fund. Consequently, the value of the assets of the Sub-Fund may not exceed 300% of its net assets. Sub-Funds adopting a strategy which presents a high degree of correlation between long and short positions are authorised to borrow up to 400% of their net assets.

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 borrowing transactions and (ii) the debt of the Sub-Fund owed to such lender may not exceed

20% of the Sub-Fund's assets. A Sub-Fund may, in addition, grant guarantees in the context of systems of guarantee which do not result in a transfer of ownership or which limit the counterparty risk by other means.

The counterparty risk resulting from the sum of (i) the difference between the value of the assets transferred as security in the context of the borrowing of securities and the amounts due under item 3.e. above and (ii) the difference between the assets transferred as security and the amounts borrowed referred to above may not exceed, in respect of a single lender, 20% of a Sub-Fund's assets.

## **5. Use of derivative financial instruments and other techniques**

Each Sub-Fund is authorised to make use of the derivative financial instruments and the techniques referred to hereafter.

The derivative financial instruments may include, amongst others, options, futures and forward contracts on financial instruments and options on such contracts as well as swap contracts by private agreement on any type of financial instruments. The Sub-Funds will not participate in securities lending transactions but could enter into sale agreements with right of repurchase transactions and reverse repurchase transactions ("*opérations à réméré*" and "*opérations de mise en pension*").

The maximum total leverage resulting from the use of these financial derivative instruments or techniques will be set out for each Sub-Fund, if appropriate, in Part B of the Prospectus. The derivative financial instruments must be dealt on an organised market or contracted by private agreement with first class professionals specialised in this type of transactions.

The aggregate commitments resulting from short sales of transferable securities together with the commitments resulting from financial derivative instruments entered into by private agreement and, if applicable, the commitments resulting from financial derivative instruments dealt on a regulated market may not exceed at any time the assets of the Sub-Funds.

If a Sub-Fund uses total return swaps as defined in Regulation (EU) 2015/2365 on transparency of securities financing transaction and of reuse and amending Regulation (EU) No 648/2012 (the "**SFT Regulation**") all the information required by the SFT Regulation will be available upon request at the registered office of the Fund.

- a. Restrictions relating to derivative financial instruments.
  - (1). Margin deposits in relation to derivative financial instruments dealt on an organised market as well as the commitments arising from derivative financial instruments contracted by private agreement may not exceed 50% of the assets of each Sub-Fund. The reserve of liquid assets of each Sub-Fund must represent at least an amount equal to the margin deposits made by the Sub-Fund. Liquid assets do not only comprise time deposits and regularly negotiated money market instruments the remaining maturity of which is less than 12 months, but also treasury bills and bonds issued by OECD member countries or their local authorities or by supranational institutions and organisations with European, regional or worldwide scope as well as bonds listed on a stock ex-

change or dealt on a regulated market, which operates regularly and is open to the public, issued by first class issuers and being highly liquid.

- (2). A Sub-Fund may not borrow to finance margin deposits.
- (3). A Sub-Fund may not enter into contracts relating to commodities other than commodity future contracts. However, each Sub-Fund may acquire, for cash consideration, precious metals which are negotiable on an organised market.
- (4). The premiums paid for the acquisition of options outstanding are included in the 50% limit referred to under item (1) above.
- (5). Each Sub-Fund must ensure an adequate spread of investment risks by sufficient diversification.
- (6). A Sub-Fund may not hold an open position in anyone single contract relating to a derivative financial instrument dealt on an organised market or a single contract relating to a derivative financial instrument entered into by private agreement for which the margin required or the commitment taken, respectively, represents 5% or more of the assets of the Sub-Fund.
- (7). The Premiums paid to acquire options outstanding having identical characteristics may not exceed 5% of the assets of each Sub-Fund.
- (8). A Sub-Fund may not hold an open position in derivative financial instruments relating to a single commodity or a single category of forward contracts on financial instruments for which the margin required (in relation to derivative financial instruments negotiated on an organized market) together with the commitment (in relation to derivative financial instruments entered into by private agreement) represent 20% or more of the assets of the Sub-Fund.
- (9). The commitment in relation to a transaction on a derivative financial instrument entered into by private agreement by a Sub-Fund corresponds to the non-realised loss resulting, at that time, from the relevant transaction.

b. Repurchase and Securities lending transactions.

To the maximum extent allowed by, and within the limits set forth in the Law, the Law of 2013 as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions, in particular the provisions of (i) article 11 of the Grand Ducal Regulation of 8 February 2008 and (ii) the CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investments when they use certain techniques and instruments relating to transferable securities and money market instruments, each Sub-Fund may for the purpose of generating additional capital or income or for reducing costs or risks enter, either as purchaser or seller, into optional as well as non-optional repurchase transactions; reverse repurchase and repurchase agreement transactions.

The Sub-Funds will not for the purpose of generating additional capital or income or for reducing costs or risks engage in securities lending transactions.

As the case may be, cash collateral received by each Sub-Fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such Sub-Fund in (a) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and being assigned a rating of AAA or its equivalent, (b) short-term bank deposits, (c) money market instruments as defined in the above referred Grand-Ducal regulation, (d) short-term bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope, (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity, and (f) reverse repurchase agreement transactions according to the provisions described under section I.C.a) of the above referred CSSF Circular. Such reinvestment will be taken into account for the calculation of each concerned Sub-Fund's global exposure, in particular if it creates a leverage effect.

Use of the aforesaid techniques and instruments involves certain risks, some of which are listed in the following paragraphs, and there can be no assurance that the objective sought to be obtained from such use will be achieved.

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

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

If a Sub-Fund uses securities financing transactions ("SFT") as defined in the SFT Regulation, all the information required by the SFT Regulation will be available upon request at the registered office of the Fund.

The AIFM has put in place procedures in order to ensure that the Fund fulfils its obligations under the Regulation (EU) n° 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

## **6. Cash and cash equivalents**

Each Sub-Fund may hold on an ancillary basis cash and cash equivalents. In this respect, time deposits in depository institutions and money market instruments which are regularly negotiated and which have a residual maturity of 12 months or less from the acquisition date shall be deemed to be cash equivalents.

## **CO-MANAGEMENT AND POOLING**

To ensure effective management of the Fund, all or part of the assets of one or more Sub-Funds (i) may be managed with those of other Sub-Funds in the Fund (so-called "**pooling**") or, where applicable, (ii) all or part of the assets, except for a cash reserve, if necessary, of one or more Sub-Funds may be co-managed with the assets of other Luxembourg investment funds or of one or more sub-funds of other Luxembourg investment funds (hereinafter referred to as the "**Party(ies) to the co-managed assets**") for which the Fund's Depositary is the appointed custodian bank. These assets will be managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets will only participate in co-managed assets which are in accordance with the stipulations of their respective prospectuses and investment restrictions.

Each Party to the co-managed assets will participate in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets will be allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets. Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets. The aforementioned co-managed assets will be formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the relevant Investment Manager for each Sub-Fund participating in the co-managed assets may regularly make subsequent transfers to the co-managed assets. The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets. Dividends, interest and other distributions deriving from income generated by the co-managed assets will accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets. All charges and expenses incurred in respect of the co-managed assets will be applied to these assets. Such charges and expenses will be allocated to each Party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a Sub-Fund of the Fund, when such a Sub-Fund takes part in co-management and even if the relevant Investment Manager has complied with the investment restrictions applicable to the co-managed assets in question, the relevant Investment Manager shall reduce the investment in question in proportion to the participation of the Sub-Fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the Sub-Fund.



When the Fund is liquidated or when the relevant Investment Manager decides to withdraw the participation of the Fund or a Sub-Fund of the Fund from co-managed assets, the co-managed assets will be allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management in as much as all Parties to the co-managed assets have the same depository. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the portion of assets and liabilities attributable to each Sub-Fund of the Fund will be constantly identifiable.

Co-management or pooling can only be used in any Sub-Fund if that is mentioned in Part B of the Prospectus.

## **GENERAL RISK CONSIDERATIONS**

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

An investment in a Sub-Fund involves certain risks relating to the particular Sub-Fund's set-up and investment objectives which investors should evaluate before making a decision to invest in such Sub-Fund.

The investments within each Sub-Fund are subject to market fluctuations and to the risks inherent in all investments; accordingly, no assurance can be given that the investment objective will be achieved.

Investors should make their own independent evaluation of the financial, market, legal, regulatory, credit, tax and accounting risks and consequences related to an investment in a Sub-Fund and its suitability for their own purposes. In evaluating the merits and suitability of an investment in a Sub-Fund, careful consideration should be given to all of the risks attached to investing in a Sub-Fund.

The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Prospectus. The following however, does not purport to be a comprehensive summary of all the risks associated with investments in any Sub-Fund. Unless indicated otherwise, the use of the term "Fund" should be considered as a reference to the relevant Sub-Fund, if applicable.

An investment in Shares of a Sub-Fund carries substantial risk and is suitable only for investors who accept the risks, can assume the risk of losing their entire investment and who understand that there is no recourse other than to the assets of the relevant Sub-Fund.

**Dependence on the Investment Manager relationship:** All decisions with respect to the general management of the Fund will be made by the Board of Directors of the Fund in consultation with the relevant Sub-Fund's Investment Manager. Further, all investment allocations will be determined by the Investment Manager. As a result, the success of each Sub-Fund for the foreseeable future will depend largely upon the abilities of the Investment Manager(s) appointed in respect of such Sub-Fund.

**Early termination:** In the event of the early termination of the Fund, the Fund would have to distribute to the shareholders their pro-rata interest in the assets of the Fund. The Fund's investments would have to be sold by the Fund or distributed to the shareholders. It is possi-

ble that at the time of such sale or redemption certain investments held by the Fund may be worth less than the initial cost of the investment, resulting in a loss to the Fund and to its shareholders. Moreover, in the event the Fund terminates prior to the complete amortization of organizational expenses, any unamortized portion of such expenses will be accelerated and will be debited from (and thereby reduce) amounts otherwise available for distribution to shareholders.

**Changes in applicable law:** The Fund 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 Fund, the legal requirement to which the Fund and its shareholders may be subject could differ materially from current requirements.

**Foreign exchange/Currency risk:** The Fund may invest its assets in securities denominated in a wide range of currencies. The Net Asset Value of each Class expressed in its respective unit currency will fluctuate in accordance with the changes in foreign exchange rate between its unit currency, the Reference Currency of the Fund and the currencies in which the Fund's investments are denominated.

**New fund:** The Fund has no operating history and an indeterminate amount of time may be required to achieve operating efficiency and profitable operations. No assurance can be given that the Fund will achieve its investment objectives and thus investment in the Fund entails a certain degree of risk.

**Commission and fee(s) amounts:** The payment of a fee calculated on the basis of management results could encourage the Investment Manager to select more risky and volatile placements than if such fees were not applicable.

**Potential Conflicts of Interests:** The Depository, the Central Administration Agent and Registrar and Transfer Agent, the AIFM, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (for the purposes hereof, each a "**Connected Person**") may:

1. contract or enter into any financial, banking or other transactions or arrangements with one another including, without limitation, investment by the Fund in securities or investment by any Connected Person in any company or body any of whose investments form part of the assets of the Fund or be interested in any such contracts or transactions;
2. invest in and deal with Shares, securities, assets or any property of the kind included in the property of the Fund for their respective individual accounts or for the account of a third party; and
3. deal as agent or principal in the sale or purchase of securities and other investments to or from the Fund through or with a Connected Person.

Any asset of the Fund in the form of cash or securities may be deposited with any Connected Person. Any asset of the Sub-Fund in the form of cash may be invested in certificates of deposit or banking investments issued by any Connected Person. Banking or similar transactions may also be undertaken with or through a Connected Person.

**Attention should be drawn to the fact that the Net Asset Value per Share can go down as well as up. An investor may not get back the amount he has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to charges. Changes in exchange rates may also cause the Net Asset Value per Share in the investor's base currency to go up or down. No guarantee as to future performance of or future return from the Fund can be given. In addition, due to the limited liquidity of the assets of the Fund, it may not be in a position to meet the redemption requests of its Shares which may be presented to it by its shareholders.**

**In addition to the above mentioned general risks which are inherent in all investments, the investment in the Fund entails above-average risks and is only appropriate for investors who can take the risk to lose the entire investment. The specific risks related to the investment in the Fund are described below.**

**FATCA:** Beginning on 1 January 2014, the United States Hiring Incentives to Restore Employment Act (the "**US HIRE Act**") will impose a 30% withholding tax on certain payments to the Fund of US source income allocable to non-US financial institutions and, beginning on 1 January 2015, the US HIRE Act will impose a 30% withholding tax on all investors' proceeds from the sale of property that could give rise to US source interest or dividends unless the Fund enters into an agreement with the US Internal Revenue Service to disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to any such interest. Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of the US HIRE Act, the return of all shareholders may be materially affected. In addition, the Fund may reduce the amount payable on any distribution or redemption to a shareholder that fails to provide the Fund with the requested information.

All prospective investors and shareholders should consult with their own tax advisors regarding the possible implications of the US HIRE Act on their investments in the Fund.

The Fund may compulsorily redeem the Shares of any shareholder that fails to cooperate with the Fund's efforts to comply with the US HIRE Act. The Fund's ability to comply with the US HIRE Act will depend on each shareholder providing the Fund with information that the Fund requests concerning the direct and indirect owners of each shareholder. If a shareholder fails to provide the Fund with any information the Fund requests, the Fund may exercise its right to redeem such shareholder's Shares compulsorily.

### ***B. Risks of investing in underlying funds***

Certain Sub-Funds may invest in underlying funds. Such investments are subject to the following risks:

**Severalty of underlying funds:** In order to ensure diversification in terms of management strategies and markets, the Investment Manager will select a certain number of underlying funds who operate independently. Although such diversification intends to reduce the risk of loss while preserving the ability to benefit from price fluctuations, no guarantee can be given that the diversification of the underlying funds shall not result globally in losses recorded on certain underlying funds exceeding the profits generated by others.

**Inadvertent concentration:** It is possible that a number of underlying funds might take substantial positions in the same security at the same time. This inadvertent concentration would interfere with the Fund's goal of diversification. The Investment Manager will attempt to alleviate such inadvertent concentration as part of its regular monitoring and reallocation process. Conversely the Investment Manager may at any given time, hold opposite positions, such position being taken by different underlying funds. Each such position shall result in transaction fees for the Investment Manager without necessarily resulting in either a loss or a gain. Moreover, the Investment Manager may proceed to a reallocation of assets between underlying funds and liquidate investments made in one or several of them. Finally, the Investment Manager may also, at any time, select additional underlying funds.

**Future returns:** No assurance can be given that the strategies employed by the underlying funds in the past to achieve attractive returns will continue to be successful or that the return on the relevant Sub-Fund's investments will be similar to that achieved by the Sub-Fund or such underlying funds in the past.

**Risks related to special techniques used by underlying funds:** Many of the underlying funds in which the Investment Manager will invest will use special investment techniques that may subject the Fund's investments to risks different from those posed by investments in equity and fixed income funds. The Fund in any event is not designed to correlate to the broad equity market, and should not be viewed as a substitute for equity or fixed income investments.

**Risks of leverage:** The investment strategies adopted by the underlying funds often employ leverage. Some of the Sub-Funds may not pre-determine any maximum leverage, as certain investment strategies such as pure arbitrage based strategies by default utilize more leverage than other strategies without necessarily incurring higher risk. Such Sub-Funds will, therefore, view leverage on an individual basis, based on investment strategy and event risk.

**Risks of borrowing:** The underlying funds may borrow for the purpose of a leveraged trading technique. A particular underlying fund may not be subject to any limitations on the amount of its borrowings, and the amount of borrowings that the underlying fund may have outstanding at any time may be large in comparison to its assets. Furthermore, given that the Investment Manager may borrow up to a maximum limit as indicated under section "Investment Objective, Strategy and Restrictions" of Part A of this Prospectus in order to invest in underlying funds, the investors must be aware that they may suffer a greater risk resulting from the decline of the net asset value of the underlying funds invested with this borrowing facility and therefore, the Fund's risk exposure will be higher.

Borrowing money to purchase securities may provide an underlying fund with the opportunity for greater capital appreciation, but, at the same time, will increase the underlying fund's, and indirectly the Fund's, exposure to risk and higher current expenses. Moreover, if the underlying fund's assets are not sufficient to pay the principal of, and interest on, the underlying fund's debt when due, the Fund could sustain a total loss of its investment in the underlying fund.

**Investment in unregulated underlying funds:** As the Fund through each Sub-Fund may invest its net assets in shares or units of underlying funds which are not submitted in their home country to a permanent control exercised by a regulatory authority set up by law in order to ensure the protection of the investors, investments in any of the Sub-Funds are subject to a corresponding risk. Although the risks inherent to investments in underlying funds (whether regulated or unregulated) are limited to the loss of the initial investment contributed

by the relevant Sub-Funds, investors should nevertheless be aware that investments in unregulated underlying funds are more risky than investments in regulated underlying funds. This may be due to the absence of recognized accounting standards and the absence of a regulatory authority imposing rules and regulations or governance standards to the entity exercising the depositary and/or central administration functions. Investors should note that the Fund may invest a large part of its net assets in unregulated underlying funds notwithstanding that it may also invest part of its net assets in regulated underlying funds.

**Currency risk:** The value of an investment represented by an underlying fund in which the Sub-Funds invest may be affected by fluctuations in the currency of the country where such underlying fund invests, by foreign exchange rules, or by government changes or variations of the monetary and economic policy of the relevant countries.

**Volatility:** Investments by the Sub-Funds will be made in regulated or non-regulated underlying funds that are generally set up in the form of a limited partnership, corporation or unit trust. The Sub-Funds shall only invest in such limited partnerships where the Sub-Funds shall be free to realize their investment at any time and independently from the other partners. Many of these underlying funds can be highly leveraged and sometimes take large positions with high volatility.

**Concentration:** Underlying funds may concentrate in only one geographic area or asset investment category, thereby taking on the risk of the market and of rapid changes to the relevant geographic area or investment category. These investments may be speculative.

**Valuation of underlying funds:** The method by which the Net Asset Value per Share of the Sub-Funds will be calculated presumes the Investment Manager's ability to value its holdings in underlying funds. In valuing those holdings, the Investment Manager will need to rely on financial information provided by the underlying funds themselves. Independent valuation sources such as exchange listing may not be available for underlying funds.

In particular, the attention of investors is drawn to the following:

- the Net Asset Value per Share of the Sub-Funds may be determined before or after the value of their investments itself is determined, which may take a certain time after the relevant Valuation Day although such valuation will have to be effected before the next Valuation Day;
- that the number of Shares subscribed by an investor may therefore not be determined until the net asset value per share of the underlying funds is determined.

**Accumulation of fees:** As certain Sub-Funds may invest in underlying funds, the shareholders of the relevant Sub-Funds will incur a duplication of fees and commissions (such as management fees, performance fees, custody and transaction fees, central administration fees and audit fees). To the extent these underlying funds invest in turn in other funds, shareholders may incur additional fees to those mentioned above.

### ***C. Risks of using special investment techniques***

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

**Risks of options trading:** In seeking to enhance performance or hedge assets, the Fund may use 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.

**Investing in futures is volatile and involves a high degree of leverage:** Futures markets are highly volatile markets. The performance of the relevant Sub-Fund will mainly depend on the ability of the Investment Manager to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economic 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 Fund shall be characterized 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 of the Sub-Fund.

**Futures markets may be illiquid:** 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 Investment Manager 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 Fund from promptly liquidating unfavourable positions and thus subject the Fund to substantial losses. In addition, even if the prices do not get close to such limits, the Fund 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.

**Options on Futures:** The Investment Manager 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 options, may not be predicted accurately. 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.

**Swap Trading:** The Fund 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 Fund 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 gov-

ernmental authority. To mitigate the counterparty risk resulting from swap transactions, the Fund will enter into such transactions only with highly rated, first class financial institutions with which it has established ISDA agreements.

The use of credit default swaps can be subject to higher risk than direct investment in transferable securities. The market for credit default swaps may be less liquid than transferable securities markets. However, the Fund only intends to invest in credit default swaps which are liquid; however, the liquidity situation of the credit default swap markets may change quickly. In relation to credit default swaps where the Fund sells protection, the Fund is subject to the risk of a credit event occurring in relation to the reference issuer. In relation thereto, the exposure of the Fund on a reference issuer resulting from these credit default swaps will be aggregated with the exposure resulting from direct investments in order to ensure that no more than 20% of the assets of each Sub-Fund will be exposed to the same reference issuer. Furthermore, in relation to credit default swaps where the Fund buys protection, the Fund is subject to the risk of the counterparty of the credit default swaps defaulting. To mitigate the counterparty risk resulting from credit default swap transactions, the Fund 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.

**Counterparty risk:** The Fund may have credit exposure to one or more counterparties by virtue of its investment positions. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it 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 Fund uses only a limited number of counterparties.

**Synthetic Short Selling Risk:** A Sub-Fund may use financial derivative instruments to implement synthetic short positions. If the price of the instrument or market which the Sub-Fund has taken a short position on increases, then the Sub-Fund will incur a loss in relation to the increase in price from the time that the short position was entered into plus any premiums and interest paid to a counterparty. Therefore, taking short positions involves the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment.

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

#### ***D. Structural risks***

**Equity Market Neutral:** A market neutral strategy requires both a long and short position. To the extent the Investment Manager is unable to maintain a balanced position because of trade execution delays, forced liquidations of short or leveraged positions due to losses or

failure to "match" long and short positions, the strategy will not be market neutral. In addition, to the extent that long and short positions are not matched by industry sectors, a sector-wide but not market-wide price move may result in market, as opposed to stock picking, losses.

**Long/Short strategies:** A Sub-Fund, within the limits set forth in the Investment restrictions, and the underlying funds in which it invests, will routinely sell securities short. Since the borrowed securities sold short must later be replaced by market purchases, any appreciation in the market price of these securities (which is potentially unlimited) results in a loss. Purchasing securities to close out the short position can itself cause their market price to rise, further increasing losses. Furthermore, the Sub-Fund or an underlying fund may be prematurely forced to close out a short position if a counterpart from whom the Sub-Fund or an underlying fund has borrowed such security demands its return.

**OTC transactions:** The Fund may engage in OTC transactions with banks or brokers acting as counterpart. Participants to such markets are not protected against defaulting counterparts in their transactions because such contracts are not guaranteed by a clearinghouse.

**Market Participant Risk:** The institutions, including brokerage firms and banks, with which the Fund or the underlying funds execute trades, may encounter financial difficulties that impair the operational capabilities or the capital position of such counterpart. The Fund will have no control whatsoever over the counter parties or brokers used by the underlying funds.

#### ***E. Risks of investing in Emerging Markets***

- Emerging markets are at an early stage of development and suffer from increased risk of expropriation, nationalization and social, political and economic insecurity.
- Liquidity difficulties: The buying and selling of securities can be costlier, lengthier and in general more difficult than is the case in the more developed markets. Difficulties with liquidity can also increase price volatility. Many emerging markets are small, have low trading volumes and suffer from low liquidity and high price volatility.
- Currency fluctuations: The currencies of countries in which a Sub-Fund invests, compared with the accounting currency of that Sub-Fund, can undergo substantial fluctuations once the sub-fund has invested in these currencies. Such fluctuations may have a significant effect on the sub-fund's income. It is not possible to apply currency risk hedging techniques to all currencies in emerging market countries.
- Currency export restrictions: It cannot be excluded that emerging markets limit or temporarily suspend the export of currencies. Consequently, it is not possible for a Sub-Fund to draw any sales proceeds without delays. To minimise the possible impact on redemption applications, a sub-fund will invest in a large number of markets.
- Settlement and custody risks: The settlement and custody systems in emerging markets countries are not as well developed as those in developed markets. Standards are not so high and the supervisory authorities do not have the same amount of experience. Consequently, it is possible for settlement to take place late, which may pose disadvantages for liquidity and securities.
- Restrictions on buying and selling: In some cases, emerging markets can place restrictions on the buying of securities by foreign investors. Some equities are thus not



available to a Sub-Fund because the maximum number allowed to be held by foreign shareholders has been exceeded. As well as this, the participation of foreign investors in the net income, capital and distributions may be subject to restrictions or government approval. Emerging markets may also limit the sale of securities by foreign investors. Should a Sub-Fund be barred due to such a restriction from selling its securities in an emerging market, it will try to obtain an exceptional approval from the authorities responsible or to counter the negative impact of this restriction through its investments in other markets. A Sub-Fund will only invest in markets in which the restrictions are acceptable. However, it is not possible to prevent additional restrictions from being imposed.

- Accounting: The accounting, auditing and reporting standards, methods, practices and disclosures required by companies in emerging markets differ from those in developed markets in respect of content, quality and the deadlines for providing information to investors. It may thus be difficult to correctly evaluate the investment options. Consequently, there is generally less publicly available information about such companies than about companies in developed countries. Furthermore, the quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the statistics being reported.
- General market conditions: Economic uncertainty, changes in law, trade barriers. Emerging market economies may differ favorably or unfavorably from the U.S. or other developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, emerging market economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Such markets may be subject to higher inflation.
- Volatility: Emerging markets are more likely than developed markets to experience periods of extreme volatility. Such volatility could result in substantial losses for the Sub-Fund.
- Governmental risks/taxation: There is the possibility of nationalization, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or other assets of the Sub-Fund, political changes, government regulation, social instability or diplomatic developments, any of which could affect adversely economies of emerging markets or the value of the Sub-Fund's investments, or both.
- Reduced diversification: Where Sub-Fund assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and by potentially adverse developments within those markets or sectors.

#### ***F. Risks of investing in commodity futures, precious metal and commodity markets***

- Investments which grant an exposure to commodities involve additional risks compared to those resulting from traditional investments. More specifically:

- political, military and natural events may influence the production and trading of commodities and, as a consequence, negatively influence financial instruments which grant exposure to commodities;
  - terrorism and other criminal activities may have an influence on the availability of commodities and therefore also negatively impact financial instruments which grant exposure to commodities.
- Positions in commodity futures, precious metal or commodity markets are basically subject to general market risk. The performance of commodities, precious metals and commodity futures also depends on the general supply situation of the respective goods, the demand for them, the expected output, extraction and production as well as the expected demand, and can for this reason be especially volatile.
  - With an index-based investment, it is also possible that the composition of an index and the weighting of individual components may change during the time a position is held and that index levels are not current or are not based on current data and this could have a disadvantageous effect on an investor in this index.
  - Derivative-based investments are in addition subject to the general risks associated with investment in derivatives.
  - Investment in target funds oriented towards commodity futures, precious metal and commodity markets is also subject to the specific risks of investing in target funds.
  - In addition to the costs incurred in the acquisition and sale of a certificate, a derivative, or shares in target funds oriented towards commodity futures, precious metals or commodity markets, additional costs may be incurred at the level of an index, a certificate, a derivative or the above mentioned target funds, which could affect the value of the investment, possibly to a substantial extent.

## **BOARD OF DIRECTORS**

The Board of Directors is responsible for the overall management and control of the Fund. The members of the Board of Directors (the "**Directors**" and each a "**Director**") will receive periodic reports from the AIFM and the Investment Manager(s) and/or the Central Administration Agent and Registrar and Transfer Agent detailing the performance and analysing the investment portfolio of each Sub-Fund.

## **ALTERNATIVE INVESTMENT FUND MANAGER**

The Board of Directors has appointed Waystone Management Company (Lux) S.A. as the Fund's external alternative investment fund manager within the meaning of article 88-2 (2) a) of the Law. The AIFM was incorporated in Luxembourg on 23 October 2003 and is an alternative investment fund manager subject to the Law of 2013. Its articles of incorporation were published for the first time in the Mémorial C of 26 November 2003 and it is registered with the Luxembourg Trade and Companies Register (RCS) under the number 96.744. The AIFM is established for an unlimited period of time. The AIFM has its registered office at 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg. Its subscribed and paid in capital amounts to EUR 2,450,000. Its approved statutory auditor (*réviseur d'entreprises agréé*) is Ernst & Young with registered office at 7, rue Gabriel Lippmann, L-5365 Munsbach.

The AIFM is responsible for the execution of the duties concerning the Fund's investment management (i.e. portfolio management and risk management) and valuation. The AIFM is responsible, while observing the principle of risk diversification, for the investment objectives and policies of the Sub-Funds. It may carry out all acts of management on behalf of the Fund; in particular purchase, sell, subscribe or exchange any securities and exercise all rights directly or indirectly attached to the Sub-Funds' portfolio of assets.

The AIFM, with the approval of the Board of Directors and in accordance with the applicable legal provisions, has delegated the execution of the following duties (as described hereunder) to the following third parties:

- i. In case the performance of the duties relating to the investment management of the Fund has been delegated to an Investment Manager or a sub-investment manager, such delegation will be further described for each Sub-Fund individually in Part B of the Offering Document.
- ii. Without prejudice to the aforementioned delegation of duties to third parties, the AIFM remains responsible for the supervision of the respective delegated duties.

The performance of the duties relating to the central administration and register and transfer agency of the Fund has been delegated by the Board of Directors and in accordance with the applicable legal provisions to RBC Investor Services Bank S.A. with registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg as Central Administration Agent and Registrar and Transfer Agent.

The performance of the distribution duties have been delegated by the Board of Directors and in accordance with the applicable legal provisions to Coeli Asset Management AB, with registered office at Sveavägen 24-26 SE-11157 Stockholm Sweden (the "**Global Distributor**"). Coeli Asset Management AB is a company regulated by the Swedish financial authority, Finansinspektionen.

The Global Distributor is, inter alia, responsible for assisting investors and/or financial intermediaries to make applications for Shares and for observing all applicable laws and regulatory requirements relating to the promotion, distribution, sale and purchase of Shares in the relevant countries of distribution of Shares. The Global Distributor may in turn sub-delegate its distribution functions to other distributors.

The AIFM with the assistance of the Investment Manager produces and maintains a written plan setting out the actions that will be taken in the event of the benchmarks materially changing or ceasing to be provided (the "**Contingency Plan**"). The Contingency Plan will be available to investors on request and free of charges at the registered office of the Fund.

## **INVESTMENT MANAGER**

The AIFM may, with the prior consent of the Fund, in relation to each Sub-Fund, from time to time appoint one or more investment managers (together the "**Investment Managers**" each an "**Investment Manager**"), who may, subject to the approval of the AIFM, sub-delegate their powers to one or more sub-investment managers (together the "**Sub-Investment Managers**" each an "**Sub-Investment Manager**"), in which case the Prospectus will be updated or supplemented accordingly. The Investment Manager(s) and Sub-Investment Manager(s), if any, appointed in relation to each Sub-Fund are set out in Part B of this Prospectus.

The Investment Managers provide the AIFM with reports and information in connection with the management of the assets of the Sub-Funds and shall select liquid assets and other securities and assets constituting the portfolios of the Sub-Funds and have discretion, on a day-to-day basis and subject to the overall control and responsibility of the AIFM, to purchase and sell such liquid assets and other securities and otherwise to manage the Sub-Funds' portfolios. Any management activities of the Investment Managers shall be subject to compliance with the investment objective, strategy and restrictions of the relevant Sub-Funds as set out in this Prospectus as well as with any additional restrictions and directions notified by the AIFM to the Investment Managers from time to time.

The Investment Managers may from time to time appoint one or several investment advisors to advise the Investment Managers in relation to the management of the assets of the Fund. The appointment of one or more investment advisors will not lead to an increase of expenses for the Fund. In case of the appointment of any such investment advisors by the Investment Manager, the Investment Manager shall exercise reasonable care in the selection and supervision of the relevant investment advisors.

### **SOFT COMMISSION AGREEMENTS**

The Investment Manager may enter into so-called soft commission arrangements with brokers under which certain business services are obtained for third parties and are paid for by the brokers out of the commissions they receive from transactions of the Fund. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Fund may be directed by the Investment Manager to broker dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker dealers.

The Fund's soft commission arrangements are subject to the following conditions: (i) the Investment Manager will act at all times in the best interest of the Fund when entering into soft commission arrangements; (ii) the services provided will be in direct relationship to the activities of the Investment Manager for the Fund; (iii) brokerage commissions on portfolio transactions for the Fund will be directed by the Investment Manager to broker-dealers that are entities and not to individuals; (iv) the Investment Manager will provide reports to the Directors with respect to soft commission arrangements including the nature of the services it receives and (v) soft commission agreements will be listed in the periodic reports.

Soft commission agreements can only be used in any Sub-Fund if that is mentioned in Part B of the Prospectus.

### **DEPOSITARY BANK AND PRINCIPAL PAYING AGENT**

The Fund has appointed RBC Investor Services Bank S.A., having its registered office at 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, as depositary bank and principal paying agent (the "**Depositary**") of the Fund with responsibility for, among other things, the

- (a) safekeeping of the assets;
- (b) oversight duties;
- (c) cash flows monitoring; and
- (d) principal paying agent functions

pursuant to the Law and the Depositary Bank and Principal Paying Agent Agreement effective as of April 7, 2017 and entered into between the AIFM, the Fund and RBC Investor Services Bank S.A. (the "**Depositary Bank and Principal Paying Agent Agreement**").

RBC Investor Services Bank S.A. is registered with the Luxembourg Register for Trade and Companies (RCS) under number B-47192 and was incorporated in 1994 under the name "First European Transfer Agent". It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector ("**Law on Financial Sector**") and specialises in custody, fund administration and related services. Its equity capital as at 31 October 2018 amounted to approximately EUR 1,188,286,274.-.

The Depositary has been authorized by the Fund to delegate its safekeeping duties (i) to delegates in relation to other assets and to sub-custodians in relation to financial instruments and to open accounts with sub-custodians.

An up to date description of any safekeeping functions delegated by the Depositary and an up to date list of the delegates and sub-custodians may be obtained, upon request, from the Depositary or via the following website link:

<https://apps.rbcits.com/RFP/gmi/updates/Appointed%20subcustodians.pdf>.

The Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and the shareholders in the execution of its duties under the Law, and the Depositary Bank and Principal Paying Agent Agreement.

Under its oversight duties, the Depositary will:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Fund are carried out in accordance with the Law, and with the Articles,
- ensure that the value of Shares is calculated in accordance with the Law, as amended, and the Articles,
- carry out the instructions of the Fund or the Management Company acting on behalf of the Fund, unless they conflict with the Law, or the Articles,
- ensure that in transactions involving the Fund's assets, the consideration is remitted to the Fund within the usual time limits,
- ensure that the income of the Fund is applied in accordance with the Law, as amended, or the Articles.

The Depositary will also ensure that cash flows are properly monitored in accordance with the Law, and the Depositary Bank and Principal Paying Agent Agreement.

### **Depositary's conflicts of interest**

From time to time conflicts of interests may arise between the Depositary and the delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Fund. On an ongoing basis, the

Depositary analyses based on applicable laws and regulations any potential conflicts of interests that may arise while carrying out its functions. Any identified potential conflict of interest is managed in accordance with the RBC's conflicts of interests' policy which is subject to applicable laws and regulation for a credit institution according to and under the terms of the Law on Financial Sector.

Further, potential conflicts of interest may arise from the provision by the Depositary and/or its affiliates of other services to the Fund, the Management Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Fund, the Management Company and/or other funds for which the Depositary (or any of its affiliates) acts.

The Depositary has implemented and maintains a management of conflicts of interests' policy, aiming namely at:

- Identifying and analysing potential situations of conflicts of interests;
- Recording, managing and monitoring the conflicts of interests situations in:
  - Implementing a functional and hierarchical segregation making sure that operations are carried out at arm's length from the Depositary business;
  - Implementing preventive measures to decline any activity giving rise to the conflict of interest such as:
    - The Depositary and any third party to whom the custodian functions have been delegated do not accept any investment management mandates.
    - The Depositary does not accept any delegation of the compliance and risk management functions.
    - The Depositary has a strong escalation process in place to ensure that regulatory breaches are notified to compliance which reports material breaches to senior management and the board of directors of the Depositary.
    - A dedicated permanent internal audit department provides independent, objective risk assessment and evaluation of the adequacy and effectiveness of internal controls and governance processes.

The Depositary confirms that based on the above no potential situation of conflicts of interest could be identified.

An up-to-date information on conflicts of interest policy referred to above may be obtained, upon request, from the Depositary or via the following website link:

<https://www.rbcits.com/en/who-we-are/governance/information-on-conflicts-of-interest-policy.page>.

## **Paying Agent**

RBC Investor Services Bank S.A. also acts as Paying Agent for the Fund pursuant to the Depositary Bank and Paying Agent Agreement. The Paying Agent is responsible for receiving payments for subscriptions of Shares and depositing such payments in the Fund's bank accounts opened with the Depositary and distributing income and dividends to the shareholders. The Paying Agent shall make payment of proceeds from the repurchase of Shares from time to time.

## **GENERAL**

The Depositary and Paying Agent Agreement may be terminated at any time by either the Fund, the AIFM or the Depositary upon ninety (90) days' prior written notice addressed to the other party. Notwithstanding the foregoing, the Depositary and Paying Agent Agreement may also be terminated in accordance with the provisions of the Depositary and Paying Agent Agreement.

## **CENTRAL ADMINISTRATION AGENT, DOMICILIARY AGENT AND REGISTRAR AND TRANSFER AGENT**

The Fund, with the prior non-objection of the AIFM, has appointed RBC Investor Services Bank S.A. as central administrative agent of the Fund and as registrar and transfer agent of the Fund (the "**Central Administration Agent and Registrar and Transfer Agent**").

The relationship between the Fund and the Central Administration Agent and Registrar and Transfer Agent is subject to the terms of the administration agency agreement (the "**Administration Agency Agreement**"). The Fund and the Central Administration Agent and Registrar and Transfer Agent may terminate this agreement upon ninety (90) days prior written notice.

The registered address of the Central Administration Agent and Registrar and Transfer Agent is 14, Porte de France, L-4360 Esch-sur-Alzette, Grand Duchy of Luxembourg.

The Central Administration Agent and Registrar and Transfer Agent has been appointed to administer the day-to-day operations and business of the Fund and perform general administrative tasks, including dealing with correspondence, processing subscriptions, redemptions and withdrawals, computing the Net Asset Value, maintaining books and records, establishing and maintaining accounts on behalf of the Fund and any other matters usually performed in relation to the administration of a fund.

The Central Administration Agent and Registrar and Transfer Agent is not responsible for any trading decisions of the Fund or the effect of such investment decisions on the performance of the Fund. The Central Administration Agent and Registrar and Transfer Agent is a service provider to the Fund and is not responsible for the preparation of this document and therefore accepts no responsibility for the accuracy of any information contained in this document.

As domiciliary agent, RBC Investor Services Bank S.A. shall grant the Fund an address to establish its registered office and shall assume the provisions of the services of domiciliary agent in accordance with applicable laws and regulations.

## **FIGHT AGAINST MONEY LAUNDERING AND FINANCING OF TERRORISM**

In accordance with international regulations and Luxembourg laws and regulations (including, but not limited to, the amended Law of 12 November 2004 on the fight against money laundering and financing of terrorism, the Grand Ducal Regulation dated 1 February 2010, CSSF Regulation 12-02, CSSF Circulars 13/556, 15/609 and 17/650 concerning the fight against money laundering and terrorist financing, and any respective amendments or replacements), obligations have been imposed on all professionals of the financial sector in order to prevent undertakings for collective investment from occurrences of money laundering and financing of terrorism. As a result of such provisions, the registrar and transfer agent of a Luxembourg UCI must ascertain the identity of the subscriber in accordance with Luxembourg laws and regulations. The registrar and transfer agent may require subscribers to provide any document it deems necessary to effect such identification. In addition, the Registrar and Transfer Agent, as delegate of the Fund, may request any other information that the Fund may require in order to comply with its legal and regulatory obligations, including but not limited to the above mentioned laws and regulations, the CRS Law and the FATCA Law.

In case of a subscription for an intermediary and/or nominee acting on behalf of his customer, enhanced customer due diligence measures for this intermediary and/or nominee will be applied in accordance with the amended law of 12 November 2004 and CSSF Regulation 12-02. In this context, investors must inform without delay the Registrar and Transfer Agent when the person(s) designated as beneficial owner(s) change and in general, ensure at all times that each piece of information and each document provided to the Transfer Agent or intermediary and/or nominee remains accurate and up-to-date.

In case of delay or failure by an applicant to provide the required documentation, the subscription request will not be accepted and in the event of redemption, payment of redemption proceeds delayed. Neither the Fund nor the Registrar and Transfer Agent will be held responsible for said delay or for failure to process deals resulting from not providing documentation or providing only incomplete documentation.

From time to time, shareholders may be asked to supply additional or updated identification documents in accordance with clients' ongoing due diligence obligations according to the relevant laws and regulations.

The Investment Manager under the supervision of the AIFM, shall ensure that due diligence measures on the Fund's investments are applied on a risk-based approach in accordance with Luxembourg legal and regulatory requirements.

## **PREVENTION OF LATE TRADING AND MARKET TIMING**

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

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



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

**Market timing** is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the undertaking for collective investment.

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

## **THE SHARES**

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

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

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

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

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

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

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

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

Forms for the transfer of Shares are available at the registered office of the Fund. Shares are freely transferable except to Prohibited Persons.

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

Fractional Shares may be issued up to a maximum of four decimals of a Share. Such fractional Shares shall be entitled to a participation in the net results and in the proceeds of liquidation on a pro rata basis.

The Shares have not been registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"); they may therefore not be publicly offered or sold in the USA, or in any of its territories subject to its jurisdiction or to or for the benefit of a U.S. Person as such expression is defined by Article 10 of the Articles and hereinafter.

The Shares are not being offered in the USA, and may be so offered only pursuant to an exemption from registration under the 1933 Act, and have not been registered with the Securities and Exchange Commission or any state securities commission nor has the Fund been registered under the Investment Company Act of 1940, as amended (the "**1940 Act**"). No transfer or sale of the Shares shall be made unless, among other things, such transfer or sale is exempt from the registration requirement of the 1933 Act and any applicable state securities laws or is made pursuant to an effective registration statement under the 1933 Act and such state securities laws and would not result in the Fund becoming subject to registration or regulation under the 1940 Act. Shares may furthermore not be sold or held either directly by nor to the benefit of, among others, a citizen or resident of the USA, a partnership organized or existing in any state, territory or possession of the USA or other areas subject to its jurisdiction, an estate or trust the income of which is subject to United States federal income tax regardless of its source, or any corporation or other entity organized under the law of or existing in the USA or any state, territory or possession thereof or other areas subject to its jurisdiction (a "**U.S. Person**"). All purchasers must certify that the beneficial owner of such Shares is not a U.S. Person and is purchasing such Shares for its own account, for investment purposes only and not with a view towards resale thereof.

## **ISSUE AND SALE OF SHARES**

After the Initial Offer Period (which shall be described for each Sub-Fund in Part B of this Prospectus), the offering price per Share of each Class in each Sub-Fund (the "**Offer Price**") is the total of the Net Asset Value per Share. The Offer Price is available for inspection at the registered office of the Central Administration Agent and Registrar and Transfer Agent.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined in Part B of the Prospectus for each Sub-Fund individually) following receipt of the application order provided that such application is received at the registered office of the Central Administration Agent and Registrar and Transfer Agent at a time as defined in Part B of the Prospectus for each Class within each Sub-Fund individually.

Payments for Shares will be required to be made in the unit currency of the relevant Class within a period as defined in Part B of the Prospectus for each Class within each Sub-Fund individually.

If subscribed shares are not paid for within the period defined in Part B of the Prospectus, the Fund may cancel their issue whilst retaining the right to claim the issue fees and commissions.

Upon the issue of Shares of any Class, the Fund retains an amount per Share equal to the applicable Net Asset Value per Share.

Written confirmations of registered Shares will be sent to shareholders within two Business Days after the relevant Valuation Day.

The Board of Directors reserves the right to reject any application in whole or in part at its discretion, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant within seven 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. In particular, the Board of Directors may at any moment in its sole discretion decide to cease accepting any further subscriptions for Shares of any Sub-Fund in order to protect existing investors, once such Sub-Fund has reached a certain volume. Once the volume of the Sub-Fund has decreased sufficiently, the Board of Directors may decide to again accept further subscriptions.

The Fund may agree to issue Shares as consideration for a contribution in kind of securities, provided that such securities comply with the investment objectives, policies and restrictions of the relevant Sub-Fund and in compliance with the conditions set forth by Luxembourg law, in particular, to the extent legally required, the obligation to deliver a valuation report from the auditor of the Fund ("*réviseur d'entreprises agréé*") which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant shareholders.

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 Fund, pursuant to the powers reserved to it by Article 12 of the Articles.

In the case of suspension of dealings in Shares the application will be dealt with as of the first Valuation Day following the end of such suspension period.

## **DATA PROTECTION**

In accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, personal data related to identified or identifiable natural persons provided to, collected or otherwise obtained by or on behalf of, the Fund (the "**Controller**") will be processed by the Controller in accordance with the Privacy Notice, a current version of which is available at the registered office of the Fund in Luxembourg. Investors and any person contacting, or otherwise dealing directly or indirectly with, with the Controller are invited to and read and carefully consider the Privacy Notice, prior to contacting or otherwise so dealing, and in any event prior to providing or causing the provision of any data directly or indirectly to the Controller.

## REDEMPTION OF SHARES

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

Shareholders desiring to have all or any of their Shares redeemed should apply in writing to the registered office of the Central Administration Agent and Registrar and Transfer Agent.

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, whether the Shares are issued with or without a Share certificate, the relevant Class, 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 (including without limitation any anti-money laundering documentation) should be enclosed with such application.

Shareholders have to take due care and bear responsibility that the certificates of the Shares to be redeemed are received in proper form at the registered office of the Central Administration Agent and Registrar and Transfer Agent.

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

Shares will be redeemed at a price equal to the Net Asset Value per Share of the relevant Class within the relevant Sub-Fund as applicable as at the relevant Valuation Day less a redemption charge, the rate of which is indicated in Part B of the Prospectus (the "**Redemption Prices**").

The payment of the Redemption Price shall be made within a period as defined in Part B of the Prospectus for each Class within each Sub-Fund individually.

Payment will be made by wire mailed to the shareholder at the address indicated by him or her or by bank order to an account indicated by the shareholder, at such shareholder's expense and at the shareholder's risk.

The Redemption Price will be paid in the unit currency of the relevant Class. The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase.

Shares in any Sub-Fund will not be redeemed if the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the Fund in accordance with Article 12 of the Articles.

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

Furthermore, if on any Valuation Day redemption requests pursuant to Article 8 of the Articles relate to more than 10% of the Shares in issue in a specific Sub-Fund, the Board of Directors may decide that part or all of such requests for redemption will be deferred proportionally for such period as the Board of Directors considers to be in the best interests of the Sub-Fund, 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.

The Articles contain at Article 10 provisions enabling the Fund to compulsorily redeem Shares held by Prohibited Persons.

The Fund shall have the right, if the Board of Directors so determines, to satisfy payment of the Redemption Price to any shareholder who agrees, in specie by allocating to the holder investments from the portfolio of assets set up in connection with such Sub-Fund equal in value (calculated in the manner described in Article 8 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 shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares and the valuation used shall be confirmed by a special report of the auditor of the Fund. The costs of any such transfers shall be borne by the transferee.

The AIFM employs a liquidity management system and has put in place procedures which enable it to monitor the liquidity risks of the Sub-Funds and to ensure that the liquidity profile of the Sub-Funds' investment portfolio is such that the Fund can, on behalf of the Sub-Funds, normally meet at all times its obligation to repurchase its Shares at the request of shareholders.

According to the Circular CSSF 14/591, in case of material change to investor's interest in an open-ended undertaking for collective investment, sufficient time must be provided to these investors in order for them to take an informed decision on the envisaged change and, in the event of a disagreement, they are given the possibility to present their holding for redemption or conversion free of redemption or conversion charges.

## **CONVERSION OF SHARES**

Shareholders have the right, subject to the provisions hereinafter specified and subject to any limitations set out in relation to one or more Sub-Funds in Part B of the Prospectus, to convert on the Valuation Day specified for each Sub-Fund in Part B of the Prospectus Shares from one Sub-Fund for Shares of another Sub-Fund of the Fund within the same Class of Shares or to convert whole or part of their Shares of one Class into Shares of another Class, if any, within the same Sub-Fund.

The rate at which Shares of any Class in any Sub-Fund shall be converted will be determined by reference to the respective Net Asset Values of the relevant Shares calculated as of the first Business Day which is a Valuation Day of both Sub-Funds / Classes concerned following receipt of the documents referred to below by a time defined in Part B of the Prospectus for each Class individually in each Sub-Fund.

A conversion of Shares of one Sub-Fund for Shares of another Sub-Fund will be treated as redemption of Shares and a simultaneous purchase of Shares. A converting shareholder

may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the shareholder's citizenship, residence or domicile.

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

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

Written confirmations of shareholding (as appropriate) will be sent to shareholders within 20 Business Days after the relevant Valuation Day, together with the balance resulting from such conversion, if any.

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

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

Shares of any Class, if any, in any Sub-Fund will not be converted in circumstances where the calculation of the Net Asset Value per Share of such Sub-Fund is suspended by the Fund pursuant to Article 12 of the Articles.

## **DETERMINATION OF THE NET ASSET VALUE**

### ***1) Calculation and Publication***

The Net Asset Value per Share of each Class within the relevant Sub-Fund shall be expressed in the unit currency of such Class or in the Reference Currency of the Sub-Fund and shall be determined as of any Valuation Day by dividing the net assets of the Fund attributable to the relevant Class within 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, as of 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 will be rounded up or down to the nearest two decimal places. 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 Fund may, in order to safeguard the interests of the shareholders and the Fund, cancel the first valuation and carry out a second valuation for all applications received on the relevant Valuation Day.

The value of such assets shall be determined as follows:

- a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as

aforesaid and not yet received 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 in on any stock exchange, is based on the last available price on the stock exchange, which is normally the principal market for such assets.
- c) The value of assets dealt in on any other Regulated Market is based on the last available price.
- d) In the event that any assets are not listed or dealt in on any stock exchange or on any other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (b) or (c) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.
- e) The liquidating value of options contracts not traded on exchanges or on other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other Regulated Markets shall be based upon the last available settlement prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the board of directors may deem fair and reasonable.

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. 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 of directors and recognised by the auditor of the Fund.

- f) Units or shares of open-ended 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 shall be determined by the AIFM 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 AIFM.
- h) Money market instruments held by the Fund with a remaining maturity of ninety days or less will be valued by the amortized cost method which approximates market value.

The value of all assets and liabilities not expressed in the Reference Currency of a Sub-Fund will be converted into the Reference Currency of such Sub-Fund 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 AIFM.

The AIFM, after consultation of the Board of Directors, 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 Fund.

The Net Asset Value per Share of each Class and the issue and redemption prices per Share of each Class within the relevant Sub-Fund may be obtained during business hours at the registered office of the Fund.

## **2) Temporary Suspension of the Calculation**

The Fund may temporarily suspend the determination of the Net Asset Value per Share of any Sub-Fund and the issue and redemption of its Shares from its shareholders:

- a) during any period when any of the principal stock exchanges or other markets on which any substantial portion of the investments of the Fund attributable to such 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 Fund attributable to a Sub-Fund quoted thereon; or
- b) during the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors as a result of which disposals or valuation of assets owned by the Fund 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; or
- d) when for any other reason the prices of any investments owned by the Fund attributable to any Sub-Fund cannot promptly or accurately be ascertained; or
- e) during any period when the Fund 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 of Directors be effected at normal rates of exchange; or
- f) upon the publication of a notice convening a general meeting of shareholders for the purpose of resolving the winding-up of the Fund; or
- g) upon the publication of a notice convening a general meeting of shareholders for the purpose of resolving the winding-up of the Fund; or
- h) in the event that the Board of Directors or the general meeting of shareholders have decided upon the liquidation of a Sub-Fund.



Any such suspension shall be published, if appropriate, by the Fund and shall be notified to shareholders having made an application for subscription and redemption of Shares for which the calculation of the Net Asset Value has been suspended.

Such suspension as to any Sub-Fund shall have no effect on the calculation of the Net Asset Value per Share, the issue and redemption of Shares of any other Sub-Fund.

Any request for subscription or redemption shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value, in which case shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with as of the first Valuation Day, as determined for each relevant Sub-Fund, following the end of the period of suspension.

## **DISTRIBUTION POLICY**

Within each Sub-Fund, Shares may be issued as capitalisation Shares and/or as distribution Shares. The features of the Shares available within each Sub-Fund are set out in Part B of the Prospectus.

In any event, no distribution may be made if, as a result, the Net Asset Value of the Fund would fall below EUR 1,250,000.

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

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

## **CHARGES AND EXPENSES**

### ***General***

The following expenses shall be payable out of the assets of the relevant Sub-Fund: formation expenses, fees (management fees, investment management fees and performance fees, if any) payable to its AIFM or its Investment Manager or Sub-Investment Manager, if any, fees and expenses payable to its Auditors and accountants, Depositary and its correspondents, Central Administration Agent and Registrar and Transfer Agent, listing agent (if any), any paying agent, placement agent, domiciliary agent, any permanent representatives in places of registration, as well as any other agent employed by the Fund, the remuneration of the Directors and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings, fees and expenses for legal and auditing services, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, the KIIDs and other offering documentation if any, explanatory memoranda, periodical reports or registration statements and the costs of any reports to shareholders, specific marketing expenses such as but not limited to road shows and conferences and if the budget for such expenses has been approved by the Board of Directors, the costs of assessing the standing of the Fund by nationally and internationally recognised rating agencies, all taxes, duties, governmental and similar charges, and all other operating expenses, the costs for the publication of the issue and redemption prices, including the cost of buying and selling assets, interest,

bank charges and brokerage, research fees, postage, telephone and telex, the costs incurred in connection with the offer and distribution of Shares. The Fund may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

As from 17 January 2022, in addition to the above, the relevant Sub-Funds will bear the costs and expenses linked to their compliance with the EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (“**SFDR**”) and any other applicable legislation of regulations related to the EU Action Plan, including costs and expenses of collecting and calculating data and the preparation of policies, disclosures and reports in addition to other matters that relate solely to marketing and regulatory matters. It is difficult to predict the full extent of the impact of the SFDR and EU Action Plan on the Fund and on each Sub-Fund. The Board of Directors of the Fund will reserve the right to adopt such arrangements as it deems necessary or desirable to comply with any applicable requirements of the SFDR and any other applicable legislation or regulations related to the EU Action Plan.

More information on current fees will be mentioned in the annual report of the Fund.

### ***Formation and Launching Expenses***

Expenses incurred in connection with the incorporation of the Fund and the creation of the first Sub-Fund, including those incurred in the preparation and publication of the first Prospectus, the taxes, duties and any other publication expenses are estimated at EUR 76,000. These expenses shall be borne by the Fund and will be amortized over a period of five years. In the event of early termination of the Fund, the unamortised portion of any costs and expenses will be accelerated, thereby decreasing amounts otherwise available for distribution.

For any additional Sub-Fund created within a period of five years from the incorporation of the Fund, expenses incurred in connection with the creation of such additional Sub-Fund shall be borne by the relevant Sub-Fund and written off over a period of five years. The additional Sub-Fund shall be charged a pro rata portion of the initial establishment expenses unamortized as of its launch date.

For any additional Sub-Fund created after the period of five years from the incorporation of the Fund, expenses incurred in connection with the creation of such additional Sub-Fund shall exclusively be borne by the relevant Sub-Fund and shall be written off over a period of five years.

### ***Fees of the AIFM***

The AIFM is entitled to receive out of the assets of each Class within each Sub-Fund a fee of up to 0.04% *per annum* or such other amount as determined in Part B of the Prospectus for each Sub-Fund and Class, subject to a minimum annual fee of EUR 9,000 per Sub-Fund. This fee will be calculated quarterly as the average of the month-end Net Asset Value of the previous quarter and shall be paid quarterly in arrears. In addition the AIFM is entitled to a fee of EUR 5,000 *per annum* per Sub-Fund using the commitment approach and EUR 10,000 *per annum* per Sub-Fund using the value at risk approach for the additional performance of risk management and compliance services. In addition, the Management Company shall be entitled to receive from the Fund, if any, reimbursement for its reasonable dis-

bursements included, but not limited to, reasonable out-of-pocket expenses, incurred in the performance of its duties.

In addition, where applicable, any value added tax ("**VAT**") associated with the above fees and reimbursements will be charged to the Sub-Fund.

### ***Fees of the Depositary and Central Administration Agent and Registrar and Transfer Agent and Domiciliary Agent***

The fees payable to the Depositary and the Central Administration Agent and Registrar and Transfer Agent are set out for each Sub-Fund individually in Part B of the Prospectus.

As domiciliary agent, RBC Investor Services Bank S.A., is entitled to receive a maximum fee of EUR 20,000 per annum paid by the Fund.

## **TAXATION**

The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This summary does not purport to be a comprehensive description of all Luxembourg tax laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold, or dispose of shares and is not intended as tax advice to any particular investor or potential investor. Prospective investors should consult their own professional advisers as to the implications of buying, holding or disposing of Shares and to the provisions of the laws of the jurisdiction in which they are subject to tax. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.

### ***Taxation of the Fund***

The Fund is not subject to taxation in Luxembourg on its income, profits or gains.

The Fund is not subject to net wealth tax in Luxembourg.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the shares of the Fund.

The Sub-Funds are, nevertheless, in principle, subject to a subscription tax (*taxe d'abonnement*) levied at the rate of 0.05% *per annum* based on the net asset value at the end of the relevant quarter, calculated and paid quarterly.

A reduced subscription tax rate of 0.01% *per annum* is however applicable to:

- any Sub-Fund whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both;
- any Sub-Fund or Class provided that their Shares are only held by one or more institutional investor(s).

A subscription tax exemption applies to:

- the portion of any Sub-Fund's assets (prorata) invested in a Luxembourg investment fund or any of its sub-fund to the extent it is subject to the subscription tax;
- any Sub-Fund (i) whose securities are only held by institutional investor(s), and (ii) whose sole object is the collective investment in money market instruments and the placing of deposits with credit institutions, and (iii) whose weighted residual portfolio maturity does not exceed 90 days, and (iv) that have obtained the highest possible rating from a recognised rating agency. If several Classes are in issue in the relevant Sub-Fund meeting (ii) to (iv) above, only those Classes meeting (i) above will benefit from this exemption;
- any Sub-Fund, whose main objective is the investment in microfinance institutions; and
- any Sub-Fund, (i) whose securities are listed or traded on a stock exchange and (ii) whose exclusive object is to replicate the performance of one or more indices. If several Classes are in issue in the relevant Sub-Fund meeting (ii) above, only those Classes meeting (i) above will benefit from this exemption.

To the extent that the Fund would only be held by pension funds and assimilated vehicles, the Fund as a whole would benefit from the subscription tax exemption.

### ***Withholding tax***

Interest and dividend income received by the Fund may be subject to non-recoverable withholding tax in the source countries. The Fund may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin. The Fund may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reduction of withholding tax rate.

Distributions made by the Fund as well as liquidation proceeds and capital gains derived therefrom are not subject to withholding tax in Luxembourg.

### ***Taxation of the Shareholders***

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

Capital gains realised on the sale of the Shares by Luxembourg resident individuals investors who hold the Shares in their personal portfolios (and not as business assets) are generally not subject to Luxembourg income tax except if:

- (i) the Shares are sold within 6 months from their subscription or purchase; or
- (ii) if the Shares held in the private portfolio constitute a substantial shareholding. A shareholding is considered as substantial when the seller holds or has held, alone or with his/her spouse and underage children, either directly or indirectly at any time during the five years preceding the date of the disposal, more than 10% of the share capital of the Fund.

Distributions received from the Fund will be subject to Luxembourg personal income tax.

Luxembourg personal income tax is levied following a progressive income tax scale, and increased by the solidarity surcharge (*contribution au fonds pour l'emploi*).

### **Luxembourg-resident corporate**

Luxembourg-resident corporate investors will be subject to corporate taxation on capital gains realised upon disposal of the Shares and on the distributions received from the Fund.

Luxembourg-resident corporate investors who benefit from a special tax regime, such as, for example, (i) investment UCI subject to the Law, as amended, (ii) a specialised investment fund subject to the Law of 13 February 2007 on specialised investment funds, as amended, (iii) a reserved alternative investment funds subject to the Law of 23 July 2016 on reserved alternative investment funds (to the extent they have not opted to be subject to general corporation taxes), or (iv) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended, are exempt from income tax in Luxembourg, but are instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg income taxes.

The Shares shall be part of the taxable net wealth of the Luxembourg-resident corporate Investors except if the holder of the Shares is (i) a UCI subject to the Law, as amended, (ii) a vehicle governed by the Law of 22 March 2004 on securitisation, as amended, (iii) an investment company in risk capital subject to the Law of 15 June 2004 on the investment company in risk capital, as amended, (iv) a specialised investment fund subject to the Law of 13 February 2007 on specialised investment funds, as amended, (v) a reserved alternative investment fund subject to the Law of 23 July 2016 on reserved alternative investment funds, or (vi) a family wealth management company subject to the Law of 11 May 2007 related to family wealth management companies, as amended. The taxable net wealth is subject to tax on a yearly basis at the rate of 0.5%. A reduced tax rate of 0.05% is due for the portion of the net wealth exceeding EUR 500 million.

### **Non-Luxembourg residents**

Non-resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realised upon disposal of the Shares nor on the distribution received from the Fund and the Shares will not be subject to net wealth tax.

### ***Automatic Exchange of Information***

The Organisation for Economic Co-operation and Development ("**OECD**") has developed a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information ("**AEOI**") on a global basis. On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "**Euro-CRS Directive**") was adopted in order to implement the CRS among the member states.

The Euro-CRS Directive was implemented into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial asset holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement.

Accordingly, the Fund may require its investors to provide information in relation to the identity and fiscal residence of financial account holders (including certain entities and their controlling persons) in order to ascertain their CRS status. Responding to CRS-related questions is mandatory. The personal data obtained will be used for the purpose of the CRS Law or such other purposes indicated by the Fund in the data protection section of the Prospectus in compliance with Luxembourg data protection law. Information regarding an investor and his/her/its account will be reported to the Luxembourg tax authorities (Administration des Contributions Directes), which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis, if such an account is deemed a CRS reportable account under the CRS Law. The Fund is responsible for the treatment of the personal data provided for in the CRS Law. The investors have a right of access to and rectification of the data communicated to the Luxembourg tax authorities (Administration des Contributions Directes) which can be exercised by contacting the Fund at its registered office.

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

Under the CRS Law, the first exchange of information will be applied by 30 September 2017 for information related to the calendar year 2016. Under the Euro-CRS Directive, the first AEOI must be applied by 30 September 2017 to the local tax authorities of the member states for the data relating to the calendar year 2016.

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

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

## **FATCA**

The Foreign Account Tax Compliance Act ("**FATCA**"), a portion of the 2010 Hiring Incentives to Restore Employment Act, became law in the United States in 2010. It requires financial institutions outside the US ("**foreign financial institutions**" or "**FFIs**") to pass information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the US tax authorities, the Internal Revenue Service ("**IRS**") on an annual basis. A 30% withholding tax is imposed on certain US source income of any FFI that fails to comply with this requirement. On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Fund would hence have to comply with this Luxembourg IGA as implemented into Luxembourg law by the Law of 24 July 2015 relating to FATCA (the "**FATCA Law**") in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA. Under the FATCA Law and the Luxembourg IGA, the Fund may be required to collect information aiming to identify its direct and indirect shareholders that are Specified US Persons for FATCA purposes ("**FATCA reportable accounts**"). Any such information on FATCA reportable accounts provided to the Fund will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the Convention between the Government of the United States of America and the Government of the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and

the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Fund intends to comply with the provisions of the FATCA Law and the Luxembourg IGA to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Fund. The Fund will continually assess the extent of the requirements that FATCA, and notably the FATCA Law, place upon it.

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

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

The Fund is responsible for the treatment of the personal data provided for in the FATCA Law. The personal data obtained will be used for the purposes of the FATCA Law and such other purposes indicated by the Fund in the Prospectus in accordance with applicable data protection legislation, and may be communicated to the Luxembourg tax authorities (*Administration des Contributions Directes*). Responding to FATCA-related questions is mandatory.

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

## **SUSTAINABILITY DISCLOSURES**

In accordance with SFDR, the AIFM and/or the Investment Manager identifies and analyses sustainability risk as part of their risk management process.

Sustainability risk means an environmental, social, or governance event or condition that, if it occurs, could potentially or actually cause a material negative impact on the value of a sub-fund's investment. Sustainability risks can either represent a risk of its own or have an impact on other risks and may contribute significantly to risks, such as market risk, operational risk, liquidity risk or counterparty risk. Sustainability risk may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be

based on environmental, social, or governance data which is difficult to obtain and may be incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Consequential impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore an impact on the net asset value of the concerned sub-fund.

The AIFM and the Investment Manager believe that the integration of this risk analysis could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives of the Sub-Funds.

For the time being, except as may be otherwise disclosed at a later stage on its website, the AIFM does not consider the adverse impacts of its investment decisions on sustainability factors. The main reason is actually the lack of information and data available to adequately assess such principal adverse impacts.

### ***Basic exclusion criteria***

The Fund does not invest in companies that are active within the following areas:

- The manufacture, development or sale of weapons that are in violation of international conventions. Examples of such weapons include cluster bombs and land mines as well as chemical and biological weapons (controversial weapons);
- involvement in the development of nuclear weapon programmes or the production of nuclear weapons;
- companies that have been verified as being in violation of established international norms and conventions, set out in the UN Global Compact and OECD Guidelines for Multinational Enterprises including the areas; environment, human rights, labour rights and anti-corruption, and where it is not possible to identify a willingness on the part of such companies to come to terms with the problems. If an existing investment fails to adhere to international norms and conventions the Investment Manager or its representative will engage with the relevant company, if no change is likely to happen within an acceptable time horizon, the Sub-Fund will divest from the holding.

## **GENERAL INFORMATION**

### ***1) Corporate Information***

The Fund was incorporated on 6 March 2014 for an unlimited period of time and is governed by the law of 10 August 1915 on commercial companies, as amended, by the Law and the Law of 2013.

The registered office of the Fund is established at 11-13, boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg. The Fund is recorded at the Luxembourg Trade and Companies Register ("**Registre de Commerce et des Sociétés**") under the number B 185579.

Any interested person may inspect these documents at the Luxembourg Trade and Companies Register; copies are available on request at the registered office of the Fund.



The minimum capital of the Fund, as provided by law, is EUR 1.250.000. The capital of the Fund is represented by fully paid-up Shares of no par value.

The Fund may launch closed-ended and open-ended Sub-Funds. A Sub-Fund is considered to be open-ended if its shareholders may, at any time, request the redemption of their Shares of the relevant Sub-Fund at prices based on the applicable Net Asset Value per Share.

In accordance with the Articles, the Board of Directors may issue Shares in each Sub-Fund. 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 of the Prospectus. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds.

Furthermore, the Board of Directors of the Fund may issue Shares of different Classes in each Sub-Fund.

The Board of Directors of the Fund may from time to time decide to create further Sub-Funds; in that event, the Prospectus will be updated and amended so as to include detailed information on the new Sub-Funds. The Board of Directors of the Fund may also decide to create further Classes of Shares; in that event the Prospectus will be updated and amended so as to include detailed information on such new Classes.

The share capital of the Fund will be equal, at any time, to the total value of the net assets of all the Sub-Funds.

## **2) Meetings of, and Reports to, Shareholders**

Notice of any general meeting of shareholders (including those considering amendments to the Articles or the dissolution and liquidation of the Fund or of any Sub-Fund) shall be mailed to each registered shareholder at least eight days prior to the meeting and shall be published to the extent required by Luxembourg law in the Luxembourg *Recueil Electronique des Sociétés et Associations* ("**RESA**") and in any Luxembourg and other newspaper(s) that the Board of Directors may determine.

If the Articles are amended, such amendments shall be filed with the Luxembourg Trade and Companies Register and published in the RESA.

Shareholders do not themselves have any specific rights to terminate the appointments of the AIFM, Depositary, auditor and/or Central Administration Agent and Registrar and Transfer Agent.

It is intended that all shareholders will invest in the Fund on the same terms and the Fund will not enter into any side letters or side arrangements (or equivalent arrangements) with any Shareholder which gives such Shareholder preferential investment terms.

The Fund publishes annually a detailed audited report on its activities and on the management of its assets; such report shall include, inter alia, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Auditor.

The Fund shall further publish semi-annual unaudited reports, including, inter alia, a description of the investments underlying the portfolio of each Sub-Fund and the number of Shares issued and redeemed since the last publication.

The aforementioned documents will be sent to registered shareholders within six months for the annual reports and three months for the semi-annual reports of the date thereof and copies may be obtained free of charge by any person at the registered office of the Fund.

The accounting year of the Fund shall commence on the first of January of each year and shall terminate on the thirty-first of December of the same year.

The annual general meeting of shareholders of the Fund is held at the registered office on the last Wednesday of the month of April each year at 2.00 p.m. (Luxembourg time) or, if such day is not a Business Day, on the next following Business Day and for the first time on 29 April 2015.

The shareholders of any Class within any Sub-Fund may hold, at any time, general meetings to decide on any matters which relate exclusively to such Class.

The combined accounts of the Fund shall be maintained in Euro (EUR) being the currency of the share capital. The financial statements relating to the various separate Sub-Funds shall also be expressed in the reference currency (the "**Reference Currency**") for the Sub-Funds.

### ***3) Dissolution and Liquidation of the Fund***

The Fund may at any time be dissolved by a resolution of the general meeting of shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

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 Fund shall be referred to a general meeting of shareholders by the Board of Directors. The general meeting, for which no quorum shall be required, shall decide by the simple majority of the Shares represented at the meeting.

The question of the dissolution of the Fund shall also be referred to a general meeting of shareholders 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 shall be held without any quorum requirement and the dissolution may be decided by shareholders holding one-fourth of the Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty 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.

Liquidation shall 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 of shareholders, which shall determine their powers and their compensation.

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

Should the Fund be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the Law. Such Law 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 shall be liable to be forfeited in accordance with the provisions of Luxembourg law.

#### **4) Termination and Amalgamation of Sub-Funds /Classes of Shares**

In the event that for any reason the value of the total net assets in any Sub-Fund or Class has decreased to, or has not reached, an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or Class to be operated in an economically efficient manner (which amount is currently fixed at EUR 1,250,000) or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalization, the Board of Directors may decide to redeem all the Shares of the relevant Sub-Fund or Class at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses) calculated on the Valuation Day at which such decision shall take effect. The Fund shall serve a notice to the holders of the relevant Shares prior to the effective date for the compulsory redemption, which will indicate the reasons of and the procedure for the redemption operations: registered shareholders shall be notified in writing. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the shareholders, the shareholders of the Sub-Fund or Class concerned may continue to request redemption of their Shares free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

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

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Depositary for a period of nine months as from the decision to redeem; after such period, the assets will be deposited with the *Caisse de Consignations* on behalf of the persons entitled thereto.

All redeemed Shares shall be cancelled.

Under the same circumstances as provided by the first paragraph here above, the Board of Directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund or to another undertaking for collective investment organized under the provisions of Part II of the Law or to another sub-fund within such other undertaking for collective investment (the "**new Sub-Fund**") and to redesignate the Shares of the Sub-Fund concerned as Shares of another Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders). Such decision will be published in the same manner as described in the first paragraph here above one month before its effectiveness (and, in addition, the publication will

contain information in relation to the new Sub-Fund), in order to enable shareholders to request redemption of their Shares, free of charge, during such period.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, a contribution of the assets and of the liabilities attributable to any Sub-Fund to another Sub-Fund within the Fund may, in any other circumstances, be decided upon by a general meeting of the shareholders of the Sub-Fund or Class concerned for which there shall be no quorum requirements and which will decide upon such an amalgamation by resolution taken by simple majority of those present or represented and voting at such meeting.

Furthermore, in other circumstances than those described in the first paragraph here above, a contribution of the assets and of the liabilities attributable to any Sub-Fund to another undertaking for collective investment referred to in the fifth paragraph here above or to another sub-fund within such other undertaking for collective investment shall require a resolution of the shareholders of the Class or Sub-Fund concerned taken with 50% quorum requirement of the Shares in issue and adopted at a 2/3 majority of the Shares present or represented, except when such an amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type ("*fonds commun de placement*") or a foreign based undertaking for collective investment, in which case resolutions shall be binding only on such shareholders who have voted in favour of such amalgamation.

## **DOCUMENTS AVAILABLE**

Copies of the following documents may be obtained for inspection during usual business hours on any Business Day in Luxembourg at the registered office of the Fund:

- the Articles;
- the Depositary and Paying Agent Agreement;
- the Administration Agency Agreement;
- the agreement with the AIFM;
- the agreement with the Investment Manager(s) and the Sub-Investment Manager(s) if any.

Furthermore, the Prospectus, the KIIDs and the latest reports and accounts referred to under the heading "Meetings of and Reports to Shareholders" may be obtained free of charge.

The Fund publishes KIIDs relating to each Sub-Fund or Class which are available upon request from the AIFM and the Fund and for download on the following website of the AIFM: [www.waystone.com](http://www.waystone.com).

Any other financial information to be published concerning the Fund, including the daily Net Asset Value, the historical performance of the Sub-Funds, the issue and repurchase price of the Shares and any suspension of such valuation, will be made available to the public upon request at the registered office of the Fund.

## **Information**

As required by Article 21 of the Law of 2013, and if applicable, the following information will be periodically provided to shareholders by means of disclosure in the annual and half-yearly reports of the Fund or, if the materiality so justifies, notified to shareholders separately:

- the percentage of the Sub-Funds' assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing liquidity of the Sub-Funds, whether or not these are special arrangements, including any changes to the liquidity management systems and procedures;
- the current risk profile of the Sub-Funds and the risk management system employed by the AIFM to manage those risks;
- any changes to the maximum level of leverage which the AIFM may employ on behalf of the Sub-Funds as well as any right of the reuse of collateral or any guarantee granted under any leveraging arrangement;
- the total amount of leverage employed by the Sub-Funds.

Should the Fund activate any gates, side pockets or similar special arrangements or where the Fund decides to suspend redemptions, the Fund shall immediately notify affected shareholders. Any change to the liability arrangements agreed with the Depositary for any discharge of liability shall also be notified without delay to the shareholders to the extent required by, and in accordance with, applicable laws and regulations.

The AIFM will make available upon request at its registered office all information to be provided to investors under the Law of 2013, including: (i) all relevant information regarding conflicts of interest (such as the description of any conflict of interest that may arise from any delegation of the functions listed in Appendix I of the Law of 2013 or of any conflicts that must be communicated to investors under Articles 13.1 and 13.2 of the Law of 2013), and (iii) any collateral and asset reuse arrangements, including any right to reuse collateral and guarantees granted under the leveraging agreement, (iv) information on any preferential treatment granted to certain shareholders, (v) the risk profile of each Sub-Fund and (vi) the way the AIFM covers the potential professional liability risks resulting from its activities in accordance with article 8 (7) of the Law of 2013. The list of the sub-custodians used by the Depositary will be made available upon receipt at the registered office of the Depositary.

## **PART B: SPECIFIC INFORMATION RELATING TO THE SUB-FUNDS**

### **A. COELI SICAV II – ABSOLUTE EUROPEAN EQUITY**

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#### **1. INVESTMENT STRATEGIES AND POLICY**

The investment objective of the sub-fund Coeli SICAV II – Absolute European Equity (referred to in the present Chapter of the Prospectus as the "Sub-Fund") is to achieve long term capital appreciation.

The Sub-Fund invests in equity and equity related investments (including derivatives) in companies where the Investment Manager believes there are significant potential for value appreciation. The Sub-Fund may also invest in equity indices.

The Sub-Fund will invest (directly or indirectly) in public companies listed on (i) regulated markets (including multilateral trading facility ("MTF")), (ii) another regulated market in a member state of the European Union, which operates regularly and is recognised and open to the public or (iii) an official listing on a stock exchange in a non-member state of the European Union or dealt in on another market in a non-member state of the European Union which is regulated, operates regularly and is recognised and open to the public. The Sub-Fund may invest up to ten percent of its net assets in non-listed equities and IPO participations.

When the Investment Manager in its own discretion is of the opinion that the market is overvalued or can't find attractive investments, the Sub-Fund's asset can be invested in fixed income instruments or deposits. Fixed income instruments or deposits can also be used as collateral for synthetic positions. The duration of holding of fixed income instruments or deposits (other than for collateral purposes) will depend on the market circumstances. In case of extraordinary market circumstances, investments in fixed income instruments or deposits may exceed 50 % of the net assets of the Sub-Fund, it being noted that such a situation should not however exceed a period of three months.

The Sub-Fund is fundamentally driven and is looking for companies across Europe which can be purchased at large discount to its intrinsic value. There will be a particular emphasis on companies located in Northern Europe including Germany and Benelux (Belgium, the Netherlands, and Luxembourg). Investments in such countries will not be below 30 percent of the Sub-Fund's equity exposure. The Sub-Fund may also, if there is an attractive opportunity, invest in equities or equity related products listed in North America, however not more than 25% of the Sub-Fund's net asset value. The Sub-Fund targets no specific sector of investments.

The Sub-Fund may hold synthetic long and short positions (including but not limited to contracts for difference, swaps and total return swaps). The total net exposure of the Sub-Fund may at times be negative.

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## **2. ADDITIONAL INVESTMENT RESTRICTIONS**

The following investment restrictions shall apply to the Sub-Fund:

- maximum leverage is 250% of the Net Asset Value according to both gross and commitment method;
- maximum 10% of its Net Asset Value in units or shares of UCITS and/or UCIs;
- by derogation to item A.(3) of section 2 "Restrictions applicable to investments in transferable securities other than those issued by an underlying fund", maximum 10% of its Net Asset Value in transferable securities or MMIs (Money Market Instruments) issued by the same body, it being noted that the Sub-Fund may benefit from the investment restrictions set forth in paragraphs B., C. and D. of section 2 "Restrictions applicable to investments in transferable securities other than those issued by an underlying fund";
- maximum of 10% of its net assets in borrowing, provided that such borrowings are made only on a temporary basis in accordance with the rules applicable to UCITS;
- granting of loans or acting as guarantor on behalf of third parties is not permitted;
- maximum 20% of its net assets in deposits made with the same body;
- no investment in precious metals, commodities and certificates representing these. In addition, the Sub-Fund will not enter into derivatives on precious metals or commodities. This does not prevent the Sub-Fund from gaining exposure to precious metals or commodities, in a way that would be eligible for a UCITS, by investing into financial instruments backed by precious metals or commodities, or financial instruments whose performance is linked to precious metals or commodities;
- no direct investment in real estate assets. This does not prevent the Sub-Fund from gaining indirect exposure to real estate assets in a way that would be eligible for a UCITS;
- no uncovered sales of transferable securities or money market instruments. The Sub-Fund may only enter into short positions via financial derivative instruments.

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## **3. SUSTAINABILITY-RELATED PROFILE**

The Sub-Fund takes sustainability risk and environmental, social and governance ("ESG") characteristics into account as part of its selection process. In that respect, the Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. For the assessment, areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account. In addition to ESG criteria, other sustainability criteria are taken into account in the management of the Sub-Fund in accordance with (the goals set by) the Paris Agreement.

Issuers are assessed via an ESG and sustainability analysis, which covers the following elements:

- Labour rights and working conditions
- Suppliers

- Social impact of products and services
- Corporate Governance
- Business ethics
- Environmental Management
- Environmental aspects along the value chain
- Eco-efficiency

In line with the Sub-Fund's ESG profile, the Sub-Fund promotes environmental and/or social characteristics but does not invest in environmentally sustainable investments. Due to the lack of reliable data, it is currently not always possible to determine how and to what extent the Sub-Fund's underlying investments are taxonomy-aligned or take into account the EU criteria for environmentally sustainable economic activities

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

It shall be noted that there may be limited or no information regarding an issuer and that the Investment Manager can only make its ESG and sustainability analysis based on the information it has obtained.

The benchmarks (as provided below until 31 December 2021) do not integrate the ESG characteristics of the Sub-Fund.

The investment universe is determined by the Investment Manager by using information provided by the companies (for example company sustainability reports) and third-party data.

The Investment Manager of the Sub-Fund uses an external and independent organization for support in its ESG screening. The independent organization is also used for supporting the Investment Manager in its ongoing monitoring of the holdings in the Sub-Fund.

The Investment Manager is not constrained by any ESG quality threshold or ratings in the evaluation of the investment decisions.

Further information about the ESG characteristics applied is available upon request or online at the website of the Investment Manager, [www.coeli.com](http://www.coeli.com).

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#### **4. BANK BUSINESS DAY**

For the purpose of this Sub-Fund, a Bank Business Day shall mean a full day on which banks are open in Luxembourg.

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#### **5. SUBSCRIPTIONS**

Shares may be subscribed for by investors on the relevant Valuation Day at the applicable Net Asset Value per Share.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined below) on which



the application form is received, provided that such application is received by the Fund no later than 2.00 pm, Luxembourg time, on the relevant Valuation Day. Applications received after 2.00 pm, Luxembourg time, on the relevant Valuation Day, will be dealt with on the following Valuation Day.

Payments for subscriptions must be received within three (3) Business Days after the relevant Valuation Day.

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## 6. REDEMPTIONS

Shareholders whose applications for redemption are accepted will have their Shares redeemed on any Valuation Day provided that the applications have been received by the Fund prior to 2.00 pm, Luxembourg time, on the relevant Valuation Day. Applications received after 2.00 pm, Luxembourg time, on the relevant Valuation Day, will be dealt with on the following Valuation Day.

Payment for redemptions will be made within three (3) Business Days from the relevant Valuation Day.

The Redemption Price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day without presently levying a redemption charge.

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## 7. AVAILABLE CLASSES OF SHARES

| Class of Shares                        | Class R SEK            | Class I SEK            | Class I EUR            | Class I USD            |
|--|------------------------|------------------------|------------------------|------------------------|
| <b>Eligible investors****</b>          | Retail                 | Institutional          | Institutional          | Institutional          |
| <b>Share Class currency</b>            | SEK                    | SEK                    | EUR                    | USD                    |
| <b>Minimum subscription amount</b>     | None                   | SEK 10,000,000         | EUR 1,000,000          | USD 1,000,000.         |
| <b>Minimum subsequent subscription</b> | None                   | None                   | None                   | None                   |
| <b>Minimum holding amount</b>          | None                   | None                   | None                   | None                   |
| <b>Initial subscription price</b>      | 100 SEK                | 100 SEK                | 100 EUR                | 100 USD                |
| <b>Valuation Day</b>                   | Each Bank Business Day | Each Bank Business Day | Each Bank Business Day | Each Bank Business Day |
| <b>First Valuation Day</b>             | [***]                  | 2 Feb 2018             | [***]                  | [***]                  |

|                                    |   |   |  |  |
|------------------------------------|---|---|--|--|
| <b>Subscription fee</b>            | None  | None  | None   | None   |
| <b>Redemption fee</b>              | None  | None  | None   | None   |
| <b>Conversion fee</b>              | None  | None  | None   | None   |
| <b>Form of Shares</b>              | Capitalisation Shares   | Capitalisation Shares   | Capitalisation Shares  | Capitalisation Shares  |
| <b>Share Class hedged</b>          | Yes   | Yes   | No   | Yes  |
| <b>Management company fee</b>      | up to maximum 0.04% p.a.  | up to maximum 0.04% p.a.  | up to maximum 0.04% p.a.   | up to maximum 0.04% p.a.   |
| <b>Investment management fee**</b> | up to maximum 1.50% p.a.  | up to maximum 1.00% p.a.  | up to maximum 1.00% p.a.   | up to maximum 1.00% p.a.   |
| <b>Performance fee</b>             | 20% above OMRX Treasury Bill Index<br>As from 1 January 2022: 20% of any net return | 20% above OMRX Treasury Bill Index<br>As from 1 January 2022: 20% of any net return | 20% above 1 month EURIBOR<br>As from 1 January 2022: 20% of any net return | 20% above 1 month USD LIBOR<br>As from 1 January 2022: 20% of any net return |

| <b>Class of Shares</b>                 | <b>Class W SEK</b> | <b>Class S SEK*</b> | <b>Class S- SEK*</b> | <b>Class RF SEK***</b> | <b>Class IF EUR***</b> |
|--|--------------------|---------------------|----------------------|------------------------|------------------------|
| <b>Eligible investors****</b>          | Retail             | Institutional*      | Institutional*       | Retail                 | Institutional          |
| <b>Share Class currency</b>            | SEK                | SEK                 | SEK                  | SEK                    | EUR                    |
| <b>Minimum subscription amount</b>     | SEK 2,000,000      | None                | None                 | SEK 10,000,000         | EUR 1,000,000          |
| <b>Minimum subsequent subscription</b> | None               | None                | None                 | None                   | None                   |
| <b>Minimum holding amount</b>          | None               | None                | None                 | None                   | None                   |
| <b>Initial subscription price</b>      | 100 SEK            | 1,000 SEK           | 1,000 SEK            | 100 SEK                | 100 EUR                |

|                                    |  |  |                          |  |   |
|------------------------------------|--|--|--------------------------|--|---|
| <b>Valuation Day</b>               | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day  |
| <b>First Valuation Day</b>         | 31 January 2018  | 29 December 2017   | [***]                    | [***]  | [***]   |
| <b>Subscription fee</b>            | None   | None   | None                     | None   | None  |
| <b>Redemption fee</b>              | None   | None   | None                     | None   | None  |
| <b>Conversion fee</b>              | None   | None   | None                     | None   | None  |
| <b>Form of Shares</b>              | Capitalisation Shares  | Capitalisation Shares  | Capitalisation Shares    | Capitalisation Shares  | Capitalisation Shares   |
| <b>Share Class hedged</b>          | Yes  | Yes  | Yes                      | Yes  | No  |
| <b>Management company fee</b>      | up to maximum 0.04% p.a  | up to maximum 0.04% p.a  | up to maximum 0.04% p.a  | up to maximum 0.04% p.a  | up to maximum 0.04% p.a   |
| <b>Investment management fee**</b> | up to maximum 1.50% p.a.   | up to maximum 0.30% p.a.   | up to maximum 0.30% p.a. | up to maximum 0.75% p.a.   | up to maximum 0.75% p.a.  |
| <b>Performance fee</b>             | 20% above OMRX Treasury Bill Index<br>As from 1 January 2022:<br>20% of any net return | 10% above OMRX Treasury Bill Index<br>As from 1 January 2022:<br>10% of any net return | None                     | 15% above OMRX Treasury Bill Index<br>As from 1 January 2022:<br>15% of any net return | 15% above 1 month EURIBOR<br>As from 1 January 2022:<br>15% of any net return |

|  |                      |
|--|----------------------|
| <b>Class of Shares</b>                 | <b>Class I-D SEK</b> |
| <b>Eligible investors****</b>          | Institutional        |
| <b>Share Class currency</b>            | SEK                  |
| <b>Minimum subscription amount</b>     | SEK 10,000,000       |
| <b>Minimum subsequent subscription</b> | None                 |

|                                    |                          |
|------------------------------------|--------------------------|
| <b>Minimum holding amount</b>      | None                     |
| <b>Initial subscription price</b>  | 100 SEK                  |
| <b>Valuation Day</b>               | Each Bank Business Day   |
| <b>First Valuation Day</b>         | [***]                    |
| <b>Subscription fee</b>            | None                     |
| <b>Redemption fee</b>              | None                     |
| <b>Conversion fee</b>              | None                     |
| <b>Form of Shares</b>              | Distribution Shares      |
| <b>Share Class hedged</b>          | Yes                      |
| <b>Management company fee</b>      | up to maximum 0.04% p.a. |
| <b>Investment management fee**</b> | up to maximum 1.00% p.a. |
| <b>Performance fee</b>             | 20% of any net return    |

\* Shares of Class S will only be issued to funds managed by Coeli Asset Management AB. However, the Board of Directors may in its discretion accept subscriptions from other investors.

\*\* The investment management fee includes the distribution fee to be paid to the Global Distributor for the relevant Class.

\*\*\* Classes RF and IF-Shares are available only to investors who have entered into an investment agreement with the Investment Manager. Classes RF and IF-Shares will be available solely at the discretion of the Investment Manager. The Investment Manager may in its absolute discretion close Classes RF or IF-Shares to new subscriptions without notice. Investors should contact the Investment Manager prior to making a subscription application for information as to whether Classes RF and IF-Shares are available.

\*\*\*\* In this perspective, eligible investor refers only to whether the Share Class is subject to a reduced subscription tax (taxe d'abonnement). Please refer to section "Taxation" for more information.

Shareholders of the dividend share class I-D SEK will receive a fixed dividend of 4% p.a. regardless of the performance of such share class in the relevant year. The dividend will be paid out four weeks after the annual general meeting of the Shareholders of the Fund at the latest. Dividends could be paid out of capital and further reduce the Sub-Fund's Net Asset Value. Dividends paid out of capital could be taxed as income in certain jurisdictions.

**Reference Currency:** The Reference Currency of the Sub-Fund is EUR.

**Additional Classes:** The Board of Directors may decide to launch additional Classes in different currencies.

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## **8. OFFER PRICE**

The Offer Price per Share is equivalent to the Net Asset Value per Share of the relevant Class.

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## **9. PERFORMANCE FEE**

In addition, the Investment Manager will receive from the Sub-Fund, payable out of the assets attributable to the relevant Class, a performance fee calculated as follows:

Until 31 December 2021:

The performance fee is calculated on each Valuation Day and fixed on the last Valuation Day of the month and paid by the Sub-Fund to the Investment Manager at the end of each month. Any eventual performance fee is payable only if the Sub-Fund's performance exceeds the previous highest Net Asset Value, adjusted for movements in the respective benchmark (index-adjusted high watermark). There will be no periodic reset of the index-adjusted high watermark.

When calculating the eventual performance fee, the Sub-Fund's performance will be determined on the basis of the change in Net Asset Value per Share, after the deduction of the fixed management fee. The performance fee, if any, will be calculated based on the number of Shares in issue on that Valuation Day.

The index-adjusted high watermark will at all times take into account the Effect of New Subscriptions and Effect of Redemptions or Distributions as described below. New subscriptions

("Effect of New Subscriptions") will increase both the Net Asset Value of the Sub-Fund and the high watermark, in each case by the amount of such new subscriptions. Redemptions of Shares of a Share Class ("Effect of Redemptions") decrease the Net Asset Value of the Sub-Fund by the amount of the redemption or distribution and will result in a proportional reduction in the high watermark for the Sub-Fund.

The benchmark is set for each currency and covers all Classes in the currency. The following benchmarks will be used: SEK - OMRX Treasury Bill Index, USD - 1 month USD LIBOR and for EUR - 1 month EURIBOR.

The concept of "crystallization" will be applied, meaning that the performance fee due to the Investment Manager is precisely determined (accrued or "crystallized") at any time, in order to ensure that an investor applying for the redemption of his Shares within a certain period nevertheless pays an adequate portion of the performance fee due at the end of the month. The crystallized performance fee is paid out of the Sub-Fund at the end of each month.

The performance fee shall be subject to an "Index-adjusted High Watermark".

As from 1 January 2022:

The performance fee is calculated on each Valuation Day and fixed on the last Valuation Day of the month and paid by the Sub-Fund to the Investment Manager at the end of each month. The Performance Fee as at the end of each Performance Period shall be equal to performance fee percentage, presented in the table in section 7 above (available classes of shares), of the excess of the Net Asset Value per Share over the higher of (i) the Adjusted High Watermark and (ii) the Fixed High Watermark multiplied by the total number of outstanding Shares of the relevant Class at the end of the relevant Performance Period.

The Adjusted High Watermark is defined as the high watermark adjusted for the effect of subscriptions, redemptions and potential distributions, as described below.

The Fixed High Watermark is defined as the higher of the Net Asset Value per Share of the relevant Class on the last day of the Performance Period that a Performance Fee was paid and its initial Subscription Price.

There will be no periodic reset of the high watermark.

Any underperformance of the Sub-Fund compared to the high watermark is clawed back before any performance fee becomes payable. To this purpose, the length of the performance reference period is the whole life of the Sub-Fund.

In the event of underperformance of the Sub-Fund in relation to the last calculated Net Asset Value, the provision is readjusted by means of a reversal of the provision.

When calculating the eventual performance fee, the performance of the Class of Shares will be determined on the basis of the change in Net Asset Value per Share, after the deduction of all fees (excluding performance fee). The performance fee, if any, will be calculated based on the number of Shares in issue on that Valuation Day.

In order to prevent artificial increase, the Adjusted High Watermark will at all times take into account the Effect of New Subscriptions and Effect of Redemptions or Distributions as described below. New subscriptions ("Effect of New Subscriptions") will increase both the Net Asset Value of the Class of Shares and the Adjusted High Watermark, in each case by the

amount of such new subscriptions. Redemptions of Shares of a Share Class or distributions ("Effect of Redemptions or Distributions") decrease the Net Asset Value of the Class of Shares by the amount of the redemption or distribution and will result in a proportional reduction in the Adjusted High Watermark for the Class of Shares.

The calculated performance fee is the lower of the following:

1)

$\{([Net\ Asset\ Value\ (before\ performance\ fees)\ per\ share\ of\ the\ Sub-Fund\ at\ the\ end\ of\ the\ month\ adjusted\ with\ crystallization\ on\ redemption/conversion\ +\ Cumulated\ dividends\ per\ share\ paid\ during\ the\ period\ (if\ any)]/[Adjusted\ HWM\ of\ the\ previous\ NAV\ date\ \times\ outstanding\ shares\ of\ the\ previous\ NAV\ date\ +\ Net\ subscriptions\ (i.e.\ subscriptions\ -\ adjusted\ HWM\ of\ previous\ NAV\ date\ \times\ number\ of\ redeemed/converted\ shares)]/outstanding\ shares\ at\ NAV\ date)-1\} * Adjusted\ HWM * outstanding\ shares\ at\ NAV\ date$   
 = Net increase per share as a result of operations

Or

2)

$\{([Net\ Asset\ Value\ (before\ performance\ fees)\ per\ share\ of\ the\ Sub-Fund\ at\ the\ end\ of\ the\ month\ +\ Cumulated\ dividends\ per\ share\ paid\ during\ the\ period\ (if\ any)]/[HWM] * HWM * outstanding\ shares\ at\ NAV\ date.$

The concept of "crystallization" will be applied, meaning that the performance fee due to the Investment Manager is precisely determined (accrued or "crystallized") at any time, in order to ensure that an investor applying for the redemption of his Shares within a certain period nevertheless pays an adequate portion of the performance fee due at the end of the month. The crystallized performance fee is paid out of the Sub-Fund at the end of each month.

The performance fee shall be subject to a "High Watermark".

The table below can be used to illustrate the performance fee calculation. Please note that a Performance Fee Rate of 10% is used in the table.

| Performance Fee (PF) Period | NAV*  | AHWM** | Fixed HWM**** | Performance Fee   | NAV after performance fee | AHWM  | Fixed HWM |
|-----------------------------|-------|--------|---------------|---|---------------------------|-------|-----------|
| PF Period # 1 Start         | 10.00 | 10.00  | 10.00         | 0   | 10.00                     | 10.00 | 10.00     |
| PF Period # 1 End           | 11.00 | 10.50  | 10.00         | Yes<br>The NAV exceeds the AHWM and the Fixed HWM, therefore a PF of 10% * AHWM * (NAV/AHWM-1) = .05 is payable | 10.95                     | 10.95 | 10.95     |

| PF Period | NAV | AHWM | Fixed HWM | Performance Fee | NAV after performance fee | AHWM | Fixed HWM |
|-----------|-----|------|-----------|-----------------|---------------------------|------|-----------|
|-----------|-----|------|-----------|-----------------|---------------------------|------|-----------|

|                     |       |       |       |   |       |       |       |
|---------------------|-------|-------|-------|---|-------|-------|-------|
| PF Period # 2 Start | 10.95 | 10.95 | 10.95 | 0   | 10.95 | 10.95 | 10.95 |
| PF Period # 2 End   | 11    | 12    | 10.95 | No<br>The NAV does not exceed the AHWM therefore no PF is payable | 11    | 12    | 10.95 |

| PF Period           | NAV   | AHWM  | Fixed HWM | Performance Fee  | NAV after performance fee | AHWM  | Fixed HWM |
|---------------------|-------|-------|-----------|--|---------------------------|-------|-----------|
| PF Period # 3 Start | 11    | 12    | 10.95     | 0  | 11                        | 12    | 10.95     |
| PF Period # 3 End   | 10.50 | 10.00 | 10.95     | No<br>The NAV exceeds the AHWM, but does not exceed the Fixed HWM therefore there is no PF payable | 10.50                     | 10.00 | 10.95     |

\* NAV = Net Asset Value

\*\* AHWM = Adjusted High Watermark

\*\*\* PF = Performance Fee

\*\*\*\*Fixed HWM = Fixed High Watermark

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#### **10. FEES OF THE DEPOSITORY, THE CENTRAL ADMINISTRATION AGENT AND REGISTRAR AND TRANSFER AGENT**

The Fund will pay to the Depository, the Central Administration Agent and the Registrar and Transfer Agent an annual average global fee of maximum 0.30% based on the total net assets of the Fund. The above remuneration is payable monthly and does not include the transaction fees and the costs of the appointed sub-custodians. Nevertheless, as the total net assets of the Fund and the volume of transactions cannot be predicted, the overall fee may be slightly higher or slightly lower than the rate indicated. The Depository, the Central Administration Agent and Registrar and Transfer Agent are also entitled to be reimbursed of reasonable out of pocket expenses which are not included in the above mentioned rate.

The amount paid by the Fund to the Depository, the Central Administration Agent and Registrar and Transfer Agent will be mentioned in the annual report of the Fund.

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#### **11. AVAILABILITY OF THE NET ASSET VALUE AND OF OTHER INFORMATION**

The Net Asset Value per Share of each Class in the Sub-Fund will be available at the registered office of the Fund and [www.coeli.com](http://www.coeli.com).

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#### **12. RISK WARNINGS**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "General Risk Considerations" in Part A of this Prospectus.



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### **13. DURATION**

The Sub-Fund is established for an unlimited duration.

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### **14. INVESTMENT MANAGER**

The AIFM has appointed, with the prior consent of the Fund, Coeli Asset Management AB, with registered office at Sveavägen 24-26 SE-111 57 Stockholm Sweden (the "**Investment Manager**") to be Investment Manager for the Sub-Fund. Coeli Asset Management AB is a company regulated by the Swedish Financial Supervisory Authority, Finansinspektionen. The Investment Manager is entitled to receive for its investment management services out of the assets of the respective Class within the Sub-Fund an investment management fee, payable monthly in arrears at such rate p.a. as set out in respect of each Class under point "Available Classes of Shares" here above. The investment management fee is based on the average Net Asset Value of the relevant Class over the relevant period.

## **B. COELI SICAV II – EUROPEAN OPPORTUNITIES**

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### **1. INVESTMENT STRATEGIES AND POLICY**

The investment objective of the sub-fund Coeli SICAV II – European Opportunities (referred to in the present Chapter of the Prospectus as the "Sub-Fund") is to achieve long term capital appreciation.

The Sub-Fund invests in equity and equity related investments (including derivatives and index futures) in companies where the Investment Manager believes there are significant potential for value appreciation. The Sub-Fund strives to have a concentrated portfolio of equities.

The Sub-Fund will invest (directly or indirectly) in public companies listed on (i) regulated markets (including multilateral trading facility ("MTF")), (ii) another regulated market in a member state of the European Union, which operates regularly and is recognised and open to the public and (iii) an official listing on a stock exchange in a non-member state of the European Union or dealt in on another market in a non-member state of the European Union which is regulated, operates regularly and is recognised and open to the public. The Sub-Fund may invest up to 10% of its net assets in non-listed equities.

The Sub-Fund may also invest in foreign exchange forwards for hedging and investment purposes.

When the Investment Manager in its own discretion is of the opinion that the market is overvalued or cannot find attractive investments, the Sub-Fund's asset can be invested in fixed income instruments or deposits. Fixed income instruments or deposits can also be used as collateral for synthetic positions. The duration of holding of fixed income instruments or deposits (other than for collateral purposes) will depend on the market circumstances. In case of extraordinary market circumstances, investments in fixed income instruments or deposits may exceed 50 % of the net assets of the Sub-Fund.

There will be a particular emphasis on companies located in Northern Europe including Germany and Benelux (Belgium, the Netherlands, and Luxembourg). Investments in such countries will not be below 30% of the Sub-Fund's equity exposure. The Sub-Fund may also, if there is an attractive opportunity, invest in equities or equity related products listed in the United States to the extent that these investments do not represent more than 25% of the Sub-Fund's Net Asset Value. The Sub-Fund targets no specific sector of investments.

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### **2. ADDITIONAL INVESTMENT RESTRICTIONS**

The following investment restrictions shall apply to the Sub-Fund:

- maximum leverage is 200% of the Net Asset Value according to both gross and commitment method;
- maximum 10% of its Net Asset Value in units or shares of UCITS and/or UCIs;
- maximum 30% of its net assets in deposits made with the same body.

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### **3. SUSTAINABILITY-RELATED PROFILE**

The Sub-Fund takes sustainability risk and environmental, social and governance ("ESG") characteristics into account as part of its selection process. In that respect, the Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. For the assessment, areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account. In addition to ESG criteria, other sustainability criteria are taken into account in the management of the Sub-Fund in accordance with (the goals set by) the Paris Agreement.

Issuers are assessed via an ESG and sustainability analysis, which covers the following elements:

- Labour rights and working conditions
- Suppliers
- Social impact of products and services
- Corporate Governance
- Business ethics
- Environmental Management
- Environmental aspects along the value chain
- Eco-efficiency

In line with the Sub-Fund's ESG profile, the Sub-Fund promotes environmental and/or social characteristics but does not invest in environmentally sustainable investments. Due to the lack of reliable data, it is currently not always possible to determine how and to what extent the Sub-Fund's underlying investments are taxonomy-aligned or take into account the EU criteria for environmentally sustainable economic activities

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

It shall be noted that there may be limited or no information regarding an issuer and that the Investment Manager can only make its ESG and sustainability analysis based on the information it has obtained.

The benchmark (as provided below until 31 December 2021) does not integrate the ESG characteristics of the Sub-Fund.

The investment universe is determined by the Investment Manager by using information provided by the companies (for example company sustainability reports) and third-party data.

The Investment Manager of the Sub-Fund uses an external and independent organization for support in its ESG screening. The independent organization is also used for supporting the Investment Manager in its ongoing monitoring of the holdings in the Sub-Fund.

The Investment Manager is not constrained by any ESG quality threshold or ratings in the evaluation of the investment decisions.

Further information about the ESG characteristics applied is available upon request or online at the website of the Investment Manager, [www.coeli.com](http://www.coeli.com).

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#### **4. BANK BUSINESS DAY**

For the purpose of this Sub-Fund, a Bank Business Day shall mean a full day on which banks are open in Luxembourg.

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#### **5. SUBSCRIPTIONS**

Shares may be subscribed for by investors on the relevant Valuation Day at the applicable Net Asset Value per Share.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the relevant Valuation Day (as defined below) for which the application form is received, provided that such application is received by the Fund no later than 4.00 pm, Luxembourg time, on the fifth Bank Business day preceding the relevant Valuation Day. Applications received after 4.00 pm, Luxembourg time, on the fifth Bank Business day preceding the relevant Valuation Day, will be dealt with on the following Valuation Day.

Payments for subscriptions must be received within two (2) Business Days after the relevant Valuation Day.

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#### **6. REDEMPTIONS**

Shareholders whose applications for redemption are accepted will have their Shares redeemed on the first Bank Business Day of January, April, July and October (the "Redemption Day") provided that the applications have been received by the Fund prior to 2.00 pm, Luxembourg time, on the thirtieth day prior to Redemption Day. Applications received after 2.00 pm, Luxembourg time, on the relevant day, will be dealt with on the following Redemption Day.

Payment for redemptions will be made within ten (10) Bank Business Days from the Redemption Day.

The Redemption Price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day without levying a redemption charge.

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#### **7. AVAILABLE CLASSES OF SHARES**

| <b>Class of Shares</b>             | <b>Class R SEK</b> |
|------------------------------------|--------------------|
| <b>Eligible investors**</b>        | Retail             |
| <b>Share Class currency</b>        | SEK                |
| <b>Minimum subscription amount</b> | None               |
| <b>Minimum subsequent</b>          | None               |

|                                   |  |
|-----------------------------------|--|
| <b>subscription</b>               |  |
| <b>Minimum holding amount</b>     | None   |
| <b>Initial subscription price</b> | 100 SEK  |
| <b>Valuation Day</b>              | Last Bank Business Day of the month  |
| <b>First Valuation Day</b>        | [***]  |
| <b>Subscription fee</b>           | None   |
| <b>Redemption fee</b>             | None   |
| <b>Conversion fee</b>             | None   |
| <b>Form of Shares</b>             | Capitalisation Shares  |
| <b>Share Class hedged</b>         | No   |
| <b>Management company fee</b>     | up to maximum 0.04% p.a  |
| <b>Investment management fee*</b> | up to maximum 0.50% p.a  |
| <b>Performance fee</b>            | 20% above OMRX Treasury Bill Index<br>As from 1 January 2022:<br>20% of any net return |

\*The investment management fee includes the distribution fee to be paid to the Global Distributor for the relevant Class.

\*\* In this perspective, eligible investor refers only to whether the Share Class is subject to a reduced subscription tax (taxe d'abonnement). Please refer to section "Taxation" for more information.

\*\*\* The initial subscription date will take place on or around May 1, 2019 or at any other date decided by the Board.

**Reference Currency:** The Reference Currency of the Sub-Fund is SEK.

**Additional Classes:** The Board of Directors may decide to launch additional Classes in different currencies.

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## **8. OFFER PRICE**

The Offer Price per Share is equivalent to the Net Asset Value per Share of the relevant Class.

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## **9. PERFORMANCE FEE**

In addition, the Investment Manager will receive from the Sub-Fund, payable out of the assets attributable to the relevant Class, a performance fee calculated as follows:

Until 31 December 2021:

The performance fee is calculated on each Valuation Day and fixed on the last Valuation Day of the month and paid by the respective Sub-Fund to the Investment Manager at the end of each month. Any eventual performance fee is payable only if the respective Sub-Fund's performance exceeds the previous highest Net Asset Value, adjusted for movements in the respective benchmark (index-adjusted high watermark). There will be no periodic reset of the index-adjusted high watermark.

When calculating the eventual performance fee, the respective Sub-Fund's performance will be determined on the basis of the change in Net Asset Value per Share, after the deduction of the fixed management fee. The performance fee, if any, will be calculated based on the number of Shares in issue on that Valuation Day.

The benchmark is set for each currency and covers all Classes in the currency. The following benchmark will be used SEK - OMRX Treasury Bill Index.

The concept of "crystallization" will be applied, meaning that the performance fee due to the Investment Manager is precisely determined (accrued or "crystallized") at any time, in order to ensure that an investor applying for the redemption of his Shares within a certain period nevertheless pays an adequate portion of the performance fee due at the end of the month. The crystallized performance fee is paid out of the Sub-Fund at the end of each month.

The performance fee shall be subject to an "Index-adjusted High Watermark".

As from 1 January 2022:

The performance fee is calculated on each Valuation Day and fixed on the last Valuation Day of the month and paid by the Sub-Fund to the Investment Manager at the end of each month. Any eventual performance fee is payable only if the Sub-Fund's performance exceeds the previous highest Net Asset Value (high watermark). There will be no periodic reset of the high watermark.

Any underperformance of the Sub-Fund compared to the high watermark is clawed back before any performance fee becomes payable. To this purpose, the length of the performance reference period is the whole life of the Sub-Fund.

In the event of underperformance of the Sub-Fund in relation the last calculated Net Asset Value, the provision is readjusted by means of a reversal of the provision.

When calculating the eventual performance fee, the respective Sub-Fund's performance will be determined on the basis of the change in Net Asset Value per Share, after the deduction of all fees (excluding performance fee). The performance fee, if any, will be calculated based on the number of Shares in issue on that Valuation Day.

The performance fee is calculated as follows:

$\{([Net\ Asset\ Value\ (before\ performance\ fees)\ per\ share\ of\ the\ Sub-Fund\ at\ the\ end\ of\ the\ month + Cumulated\ dividends\ per\ share\ paid\ during\ the\ period\ (if\ any)]/[HWM] * HWM * out-standing\ shares\ at\ NAV\ date)$

The concept of "crystallization" will be applied, meaning that the performance fee due to the Investment Manager is precisely determined (accrued or "crystallized") at any time, in order to ensure that an investor applying for the redemption of his Shares within a certain period nevertheless pays an adequate portion of the performance fee due at the end of the month. The crystallized performance fee is paid out of the Sub-Fund at the end of each month.

The performance fee shall be subject to a "High Watermark".

The table below can be used to illustrate the performance fee calculation. Please note that a Performance Fee Rate of 10% is used in the table.

| ***PF Period        | *NAV  | **HWM | ****PF Payable  | NAV (after PF) | HWM at Start of New PF Period  |
|---------------------|-------|-------|---|----------------|--|
| PF Period # 1 Start | 10,00 | 10,00 | 0   | 10,00          | 10,00  |
| PF Period # 1 End   | 11,00 | 10,00 | Yes<br>The NAV exceeds the HWM therefore a PF of $10\% * HWM * (NAV/HMW-1) = .1$ is payable | 10,90          | 10,90  |
| PF Period # 2 Start | 10,90 | 10,90 | 0   | 10,90          | 10,90  |
| PF Period # 2 End   | 10,80 | 10,90 | No<br>The NAV does not exceed the HWM therefore no PF is payable                            | 10,80          | Because there was no PF payable at the end of PF period # 2 the HWM continues at 10,90 at the start of PF period # 3 |

\* NAV = Net Asset Value

\*\* HWM = High Watermark

\*\*\* PF = Performance Fee

\*\*\*\*PF Payable = Performance Fee Payable

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#### **10. FEES OF THE DEPOSITORY, THE CENTRAL ADMINISTRATION AGENT AND REGISTRAR AND TRANSFER AGENT**

The Fund will pay to the Depository, the Central Administration Agent and the Registrar and Transfer Agent an annual average global fee of maximum 0.30% based on the total net assets of the Fund. The above remuneration is payable monthly and does not include the transaction fees and the costs of the appointed sub-custodians. Nevertheless, as the total net assets of the Fund and the volume of transactions cannot be predicted, the overall fee may be slightly higher or slightly lower than the rate indicated. The Depository, the Central Administration Agent and Registrar and Transfer Agent are also entitled to be reimbursed of reasonable out of pocket expenses which are not included in the above mentioned rate.

The amount paid by the Fund to the Depository, the Central Administration Agent and Registrar and Transfer Agent will be mentioned in the annual report of the Fund.

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### **11. AVAILABILITY OF THE NET ASSET VALUE AND OF OTHER INFORMATION**

The Net Asset Value per Share of each Class in the Sub-Fund will be available at the registered office of the Fund and [www.coeli.com](http://www.coeli.com).

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### **12. RISK WARNINGS**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "General Risk Considerations" in Part A of this Prospectus.

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### **13. DURATION**

The Sub-Fund is established for an unlimited duration.

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### **14. INVESTMENT MANAGER**

The AIFM has appointed, with the prior consent of the Fund, Coeli Asset Management AB, with registered office at Sveavägen 24-26 SE-111 57 Stockholm Sweden (the "**Investment Manager**") to be Investment Manager for the Sub-Fund. Coeli Asset Management AB is a company regulated by the Swedish Financial Supervisory Authority, Finansinspektionen. The Investment Manager is entitled to receive for its investment management services out of the assets of the respective Class within the Sub-Fund an investment management fee, payable monthly in arrears at such rate p.a. as set out in respect of each Class under point "Available Classes of Shares" here above. The investment management fee is based on the average Net Asset Value of the relevant Class over the relevant period.



## **C. COELI SICAV II – GLOBAL OPPORTUNITIES**

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### **1. INVESTMENT STRATEGIES AND POLICY**

The investment objective of the sub-fund Coeli SICAV II – Global Opportunities (referred to in the present Chapter of the Prospectus as the "Sub-Fund") is to achieve long term capital appreciation.

The Sub-Fund invests in equity and equity related investments (including derivatives and index futures) in companies where the Investment Manager believes there are significant potential for value appreciation. The Sub-Fund strives to have a concentrated portfolio of equities.

The Sub-Fund may hold synthetic long and short positions (including but not limited to contracts for difference, swaps, options and listed futures). The total net exposure of the Sub-Fund may at times be negative.

The Sub-Fund will invest (directly or indirectly) in public companies listed on (i) regulated markets (including multilateral trading facility ("MTF")), (ii) another regulated market in a member state of the European Union, which operates regularly and is recognised and open to the public and (iii) an official listing on a stock exchange in a non-member state of the European Union or dealt in on another market in a non-member state of the European Union which is regulated, operates regularly and is recognised and open to the public. The Sub-Fund may invest up to 10% of its net assets in non-listed equities.

The Sub-Fund may also invest in foreign exchange forwards for hedging and investment purposes.

When the Investment Manager in its own discretion is of the opinion that the market is over-valued or cannot find attractive investments, the Sub-Fund's asset can be invested in fixed income instruments or deposits. Fixed income instruments or deposits can also be used as collateral for synthetic positions. The duration of holding of fixed income instruments or deposits (other than for collateral purposes) will depend on the market circumstances. In case of extraordinary market circumstances, investments in fixed income instruments or deposits may exceed 50 % of the net assets of the Sub-Fund.

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### **2. ADDITIONAL INVESTMENT RESTRICTIONS**

The following investment restrictions shall apply to the Sub-Fund:

- maximum leverage is 300% of the Net Asset Value according to both gross and commitment method;
- maximum 10% of its Net Asset Value in units or shares of UCITS and/or UCIs;
- maximum 30% of its net assets in deposits made with the same body;

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### **3. SUSTAINABILITY-RELATED PROFILE**

The Sub-Fund takes sustainability risk and environmental, social and governance ("ESG") characteristics into account as part of its selection process. In that respect, the Sub-Fund

promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. For the assessment, areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account. In addition to ESG criteria, other sustainability criteria are taken into account in the management of the Sub-Fund in accordance with (the goals set by) the Paris Agreement.

Issuers are assessed via an ESG and sustainability analysis, which covers the following elements:

- Labour rights and working conditions
- Suppliers
- Social impact of products and services
- Corporate Governance
- Business ethics
- Environmental Management
- Environmental aspects along the value chain
- Eco-efficiency

In line with the Sub-Fund's ESG profile, the Sub-Fund promotes environmental and/or social characteristics but does not invest in environmentally sustainable investments. Due to the lack of reliable data, it is currently not always possible to determine how and to what extent the Sub-Fund's underlying investments are taxonomy-aligned or take into account the EU criteria for environmentally sustainable economic activities

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

It shall be noted that there may be limited or no information regarding an issuer and that the Investment Manager can only make its ESG and sustainability analysis based on the information it has obtained.

In addition to the Fund's basic exclusion criteria set out in section "SUSTAINABILITY DISCLOSURES" of the general part of the Prospectus, the Sub-Fund will not invest in companies where five percent or more of the revenue is directly derived from production of fossil fuel, alcohol, tobacco, gambling, pornography and/or military equipment and services.

The investment universe is determined by the Investment Manager by using information provided by the companies (for example company sustainability reports) and third-party data.

The Investment Manager of the Sub-Fund uses and remunerates an external and independent organization for support in its ESG screening. The independent organization is also used for supporting the Investment Manager in its ongoing monitoring of the holdings in the Sub-Fund.

The Investment Manager is not constrained by any ESG quality threshold or ratings in the evaluation of the investment decisions.

Further information about the ESG characteristics applied is available upon request or online at the website of the Investment Manager, [www.coeli.com](http://www.coeli.com).

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#### **4. BANK BUSINESS DAY**

For the purpose of this Sub-Fund, a Bank Business Day shall mean a full day on which banks are open in Luxembourg.

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#### **5. SUBSCRIPTIONS**

Shares may be subscribed for by investors on the relevant last Bank Business Day of the month at the applicable Net Asset Value per Share.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the relevant last Bank Business Day of the month for which the application form is received, provided that such application is received by the Fund no later than 4.00 pm, Luxembourg time, on the fifth Bank Business day preceding the relevant last Bank Business Day of the month. Applications received after 4.00 pm, Luxembourg time, on the fifth Bank Business day preceding the relevant last Bank Business Day of the month, will be dealt with on the last Bank Business Day of the next month.

Payments for subscriptions must be received within two (2) Business Days after the last Bank Business Day of the month.

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#### **6. REDEMPTIONS**

Shareholders whose applications for redemption are accepted will have their Shares redeemed on the last Bank Business Day of the month (the "Redemption Day") provided that the applications have been received by the Fund prior to 2.00 pm, Luxembourg time, on the thirtieth day prior to Redemption Day. Applications received after 2.00 pm, Luxembourg time, on the relevant day, will be dealt with on the following Redemption Day.

Payment for redemptions will be made within ten (10) Bank Business Days from the Redemption Day.

The Redemption Price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day without levying a redemption charge.

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#### **7. AVAILABLE CLASSES OF SHARES**

| <b>Class of Shares</b>                 | <b>Class R SEK</b> | <b>Class I SEK</b> | <b>Class R EUR</b> | <b>Class I EUR</b> |
|--|--------------------|--------------------|--------------------|--------------------|
| <b>Eligible investors*</b>             | Retail             | Institutional      | Retail             | Institutional      |
| <b>Share Class currency</b>            | SEK                | SEK                | EUR                | EUR                |
| <b>Minimum subscription amount</b>     | None               | SEK 10,000,000     | None               | EUR 1,000,000      |
| <b>Minimum subsequent subscription</b> | None               | None               | None               | None               |

|                                    |                          |                          |                          |                          |
|------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Minimum holding amount</b>      | None                     | None                     | None                     | None                     |
| <b>Initial subscription price</b>  | 100 SEK                  | 100 SEK                  | 100 EUR                  | 100 EUR                  |
| <b>Valuation Day</b>               | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day   |
| <b>First Valuation Day</b>         | [***]                    | [***]                    | [***]                    | [***]                    |
| <b>Subscription fee</b>            | None                     | None                     | None                     | None                     |
| <b>Redemption fee</b>              | None                     | None                     | None                     | None                     |
| <b>Conversion fee</b>              | None                     | None                     | None                     | None                     |
| <b>Form of Shares</b>              | Capitalisation Shares    | Capitalisation Shares    | Capitalisation Shares    | Capitalisation Shares    |
| <b>Share Class hedged</b>          | NO                       | NO                       | YES                      | YES                      |
| <b>Management company fee</b>      | up to maximum 0.04% p.a. | up to maximum 0.04% p.a. | up to maximum 0.04% p.a. | up to maximum 0.04% p.a. |
| <b>Investment management fee**</b> | up to maximum 0.50% p.a. | up to maximum 0.30% p.a. | up to maximum 0.50% p.a. | up to maximum 0.30% p.a. |
| <b>Performance fee</b>             | 20% of any net return    | 20% of any net return    | 20% of any net return    | 20% of any net return    |

\* In this perspective, eligible investor refers only to whether the Share Class is subject to a reduced subscription tax (taxe d'abonnement). Please refer to section "Taxation" for more information.

\*\*The investment management fee includes the distribution fee to be paid to the Global Distributor for the relevant Class.

**Reference Currency:** The Reference Currency of the Sub-Fund is SEK.

**Additional Classes:** The Board of Directors may decide to launch additional Classes in different currencies.

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## **8. OFFER PRICE**

The Offer Price per Share is equivalent to the Net Asset Value per Share of the relevant Class.

## 9. PERFORMANCE FEE

In addition, the Investment Manager will receive from the Sub-Fund, payable out of the assets attributable to the relevant Class, a performance fee calculated as follows:

The performance fee is calculated on each Valuation Day and fixed on the last Valuation Day of the month and paid by the respective Sub-Fund to the Investment Manager at the end of month. Any eventual performance fee is payable only if the respective Sub-Fund's performance exceeds the previous highest Net Asset Value (high watermark). There will be no periodic reset of the high watermark.

Any underperformance of the Sub-Fund compared to the high watermark is clawed back before any performance fee becomes payable. To this purpose, the length of the performance reference period is the whole life of the Sub-Fund.

In the event of underperformance of the Sub-Fund in relation to the last calculated Net Asset Value, the provision is readjusted by means of a reversal of the provision.

When calculating the eventual performance fee, the respective Sub-Fund's performance will be determined on the basis of the change in Net Asset Value per Share, after the deduction of all fees (excluding performance fee). The performance fee, if any, will be calculated based on the number of Shares in issue on that Valuation Day.

The performance fee is calculated as follows:

$$\frac{([\text{Net Asset Value (before performance fees) per share of the Sub-Fund at the end of the month} + \text{Cumulated dividends per share paid during the period (if any)})]}{[\text{HWM}] * \text{HWM} * \text{outstanding shares at NAV date}}$$

The concept of "crystallization" will be applied, meaning that the performance fee due to the Investment Manager is precisely determined (accrued or "crystallized") at any time, in order to ensure that an investor applying for the redemption of his Shares within a certain period nevertheless pays an adequate portion of the performance fee due at the end of the month. The crystallized performance fee is paid out of the Sub-Fund at the end of each month.

The performance fee shall be subject to a "High Watermark".

The table below can be used to illustrate the performance fee calculation. Please note that a Performance Fee Rate of 10% is used in the table.

| ***PF Period        | *NAV  | **HWM | ****PF Payable   | NAV (after PF) | HWM at Start of New PF Period |
|---------------------|-------|-------|--|----------------|-------------------------------|
| PF Period # 1 Start | 10,00 | 10,00 | 0  | 10,00          | 10,00                         |
| PF Period # 1 End   | 11,00 | 10,00 | Yes<br>The NAV exceeds the HWM therefore a PF of 10% * HWM * (NAV/HMW-1) = .1 is payable | 10,90          | 10,90                         |
|                     |       |       |  |                |                               |

|                              |       |       |   |       |   |
|------------------------------|-------|-------|---|-------|---|
| PF<br>Period #<br>2<br>Start | 10,90 | 10,90 | 0   | 10,90 | 10,90   |
| PF<br>Period #<br>2<br>End   | 10,80 | 10,90 | No<br>The NAV does not exceed the HWM<br>therefore no PF is payable | 10,80 | Because there<br>was no PF paya-<br>ble at the end of<br>PF period # 2 the<br>HWM continues<br>at 10,90 at the<br>start of PF period<br># 3 |

\* NAV = Net Asset Value

\*\* HWM = High Watermark

\*\*\* PF = Performance Fee

\*\*\*\*PF Payable = Performance Fee Payable

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### **10. FEES OF THE DEPOSITORY, THE CENTRAL ADMINISTRATION AGENT AND REGISTRAR AND TRANSFER AGENT**

The Fund will pay to the Depository, the Central Administration Agent and the Registrar and Transfer Agent an annual average global fee of maximum 0.30% based on the total net assets of the Fund. The above remuneration is payable monthly and does not include the transaction fees and the costs of the appointed sub-custodians. Nevertheless, as the total net assets of the Fund and the volume of transactions cannot be predicted, the overall fee may be slightly higher or slightly lower than the rate indicated. The Depository, the Central Administration Agent and Registrar and Transfer Agent are also entitled to be reimbursed of reasonable out of pocket expenses which are not included in the above mentioned rate.

The amount paid by the Fund to the Depository, the Central Administration Agent and Registrar and Transfer Agent will be mentioned in the annual report of the Fund.

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### **11. AVAILABILITY OF THE NET ASSET VALUE AND OF OTHER INFORMATION**

The Net Asset Value per Share of each Class in the Sub-Fund will be available at the registered office of the Fund and [www.coeli.com](http://www.coeli.com).

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### **12. RISK WARNINGS**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "General Risk Considerations" in Part A of this Prospectus.

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### **13. DURATION**

The Sub-Fund is established for an unlimited duration.

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### **14. INVESTMENT MANAGER**

The AIFM has appointed Coeli Global AB, with registered office at Sveavägen 24-26 SE-11157 Stockholm Sweden (the "**Investment Manager**") as Investment Manager of the Sub-

Fund. Coeli Global AB is a company regulated by the Swedish Financial Supervisory Authority, Finansinspektionen.

The Investment Manager is entitled to receive for its investment management services out of the assets of the respective Class within the Sub-Fund an investment management fee, payable monthly in arrears at such rate p.a. as set out in respect of each Class under point "Available Classes of Shares" here above. The investment management fee is based on the average Net Asset Value of the relevant Class over the relevant period.

## **D. COELI SICAV II – RENEWABLE OPPORTUNITY**

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### **1. INVESTMENT STRATEGIES AND POLICY**

The investment objective of the sub-fund Coeli SICAV II – Renewable Opportunity (referred to in the present Chapter of the Prospectus as the "Sub-Fund") is to achieve long term capital appreciation.

The Sub-Fund seeks to achieve its investment objective by primarily providing exposure to companies classified by BICS (Bloomberg Industry Classification Standard) as being part of the energy, industrials, consumer discretionary, materials or utilities sectors that in the Investment Manager's own discretion are or, could be in the future affected to some extent by the energy transition.

The Sub-Fund seeks to achieve its investment objective by primarily taking long and short positions in listed equities and/or equity related financial derivative instruments.

The Sub-Fund may enter into a wide range of financial derivatives instruments, listed on any regulated market or traded over-the-counter such as: futures, forward contracts, options, swaps (including equity swaps, swaps on index, contracts for difference (CFD)). Financial derivative instruments may be used for investment purposes. Since the Sub-Fund is authorized to invest in financial derivatives instruments and use financial techniques for the purpose of hedging and/or efficient management of the portfolio, liquid assets (including but not limited to cash, deposits and treasury bills) may, notwithstanding the ceilings set forth above, be used as collateral and may, even under normal conditions, represent more than 49% of the total net assets of the Sub-Fund.

Notwithstanding the ceilings set forth above, the Sub-Fund may, when the Investment Manager is of the opinion that it is in the best interest of the Shareholders, have a full exposure to liquid assets (including but not limited to cash, deposits and treasury bills). Such situation should not exceed a period of three months. For the avoidance of doubt, at no time will the Sub-Fund qualify as a money market fund (as defined in Regulation 2017/1131 on money market funds).

If the Sub-Fund uses currency hedging, the Sub-Fund may use instruments such as but not limited to FX futures, FX OTC forwards and FX Swaps.

The Sub-Fund will not have any geographical limitations.

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### **2. ADDITIONAL INVESTMENT RESTRICTIONS**

The following investment restrictions shall apply to the Sub-Fund:

- maximum leverage is 350% of the Net Asset Value according to both gross and commitment method;
- maximum 10% of its Net Asset Value in units or shares of UCITS and/or UCIs;
- by derogation to item A.(3) of section 2 "Restrictions applicable to investments in transferable securities other than those issued by an underlying fund", maximum 10% of its Net Asset Value in transferable securities or MMIs (Money Market Instruments) issued by the same body, it being noted that the Sub-Fund may benefit



from the investment restrictions set forth in paragraphs B., C. and D. of section 2 "Restrictions applicable to investments in transferable securities other than those issued by an underlying fund";

- maximum of 10% of its net assets in borrowing, provided that such borrowings are made only on a temporary basis in accordance with the rules applicable to UCITS;
- granting of loans or acting as guarantor on behalf of third parties is not permitted;
- maximum 20% of its net assets in deposits made with the same body;
- no investment in precious metals, commodities and certificates representing these. In addition, the Sub-Fund will not enter into derivatives on precious metals or commodities. This does not prevent the Sub-Fund from gaining exposure to precious metals or commodities, in a way that would be eligible for a UCITS, by investing into financial instruments backed by precious metals or commodities, or financial instruments whose performance is linked to precious metals or commodities;
- no direct investment in real estate assets. This does not prevent the Sub-Fund from gaining indirect exposure to real estate assets in a way that would be eligible for a UCITS;
- no uncovered sales of transferable securities or money market instruments. The Sub-Fund may only enter into short positions via financial derivative instruments.

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### **3. SUSTAINABILITY-RELATED PROFILE**

The Sub-Fund takes sustainability risk and environmental, social and governance ("ESG") characteristics into account as part of its selection process. In that respect, the Sub-Fund promotes environmental and/or social characteristics within the meaning of Article 8 of SFDR. For the assessment, areas like corporate strategy, corporate governance, transparency and the product and service range of a company are taken into account. In addition to ESG criteria, other sustainability criteria are taken into account in the management of the Sub-Fund in accordance with (the goals set by) the Paris Agreement.

Issuers are assessed via an ESG and sustainability analysis, which covers the following elements:

- Labour rights and working conditions
- Suppliers
- Social impact of products and services
- Corporate Governance
- Business ethics
- Environmental Management
- Environmental aspects along the value chain
- Eco-efficiency

In line with the Sub-Fund's ESG profile, the Sub-Fund promotes environmental and/or social characteristics but does not invest in environmentally sustainable investments. Due to the lack of reliable data, it is currently not always possible to determine how and to what extent the Sub-Fund's underlying investments are taxonomy-aligned or take into account the EU criteria for environmentally sustainable economic activities

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

It shall be noted that there may be limited or no information regarding an issuer and that the Investment Manager can only make its ESG and sustainability analysis based on the information it has obtained.

The investment universe is determined by the Investment Manager by using information provided by the companies (for example company sustainability reports) and third-party data.

The Investment Manager of the Sub-Fund uses an external and independent organization for support in its ESG screening. The independent organization is also used for supporting the Investment Manager in its ongoing monitoring of the holdings in the Sub-Fund.

The Investment Manager is not constrained by any ESG quality threshold or ratings in the evaluation of the investment decisions.

Further information about the ESG characteristics applied is available upon request or online at the website of the Investment Manager, [www.coeli.com](http://www.coeli.com).

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#### **4. BANK BUSINESS DAY**

For the purpose of this Sub-Fund, a Bank Business Day shall mean a full day on which banks are open in Luxembourg and New York.

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#### **5. SUBSCRIPTIONS**

Shares may be subscribed for by investors on the relevant Valuation Day at the applicable Net Asset Value per Share.

Investors whose applications are accepted will be allotted Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined below) on which the application form is received, provided that such application is received by the Fund no later than 2.00 pm, Luxembourg time, on the relevant Valuation Day. Applications received after 2.00 pm, Luxembourg time, on the relevant Valuation Day, will be dealt with on the following Valuation Day.

Payments for subscriptions must be received within two (2) Business Days after the relevant Valuation Day.

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#### **6. REDEMPTIONS**

Shareholders whose applications for redemption are accepted will have their Shares redeemed on any Valuation Day provided that the applications have been received by the Fund prior to 2.00 pm, Luxembourg time, on the relevant Valuation Day. Applications received after 2.00 pm, Luxembourg time, on the relevant Valuation Day, will be dealt with on the following Valuation Day.

Payment for redemptions will be made within two (2) Business Days from the relevant Valuation Day.

The Redemption Price shall be equal to the Net Asset Value per Share of the Sub-Fund on the relevant Valuation Day without presently levying a redemption charge.

## 7. AVAILABLE CLASSES OF SHARES

| Class of Shares                        | Class R SEK              | Class I SEK              | Class I EUR              | Class I USD              |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Eligible investors****</b>          | Retail                   | Institutional            | Institutional            | Institutional            |
| <b>Share Class currency</b>            | SEK                      | SEK                      | EUR                      | USD                      |
| <b>Minimum subscription amount</b>     | None                     | SEK 10,000,000           | EUR 1,000,000            | USD 1,000,000.           |
| <b>Minimum subsequent subscription</b> | None                     | None                     | None                     | None                     |
| <b>Minimum holding amount</b>          | None                     | None                     | None                     | None                     |
| <b>Initial subscription price</b>      | 100 SEK                  | 100 SEK                  | 100 EUR                  | 100 USD                  |
| <b>Valuation Day</b>                   | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day   |
| <b>First Valuation Day</b>             | [***]                    | [***]                    | [***]                    | [***]                    |
| <b>Subscription fee</b>                | None                     | None                     | None                     | None                     |
| <b>Redemption fee</b>                  | None                     | None                     | None                     | None                     |
| <b>Conversion fee</b>                  | None                     | None                     | None                     | None                     |
| <b>Form of Shares</b>                  | Capitalisation Shares    | Capitalisation Shares    | Capitalisation Shares    | Capitalisation Shares    |
| <b>Share Class hedged</b>              | Yes                      | Yes                      | YES                      | NO                       |
| <b>Management company fee</b>          | up to maximum 0.04% p.a. | up to maximum 0.04% p.a. | up to maximum 0.04% p.a. | up to maximum 0.04% p.a. |
| <b>Investment management fee**</b>     | up to maximum 1.50% p.a. | up to maximum 1.00% p.a. | up to maximum 1.00% p.a. | up to maximum 1.00% p.a. |
| <b>Performance fee</b>                 | 20% of any net return    | 20% of any net return    | 20% of any net return    | 20% of any net return    |

| <b>Class of Shares</b>                 | <b>Class W SEK</b>       | <b>Class S SEK*</b>      | <b>Class S- SEK*</b>     | <b>Class RF SEK***</b>   | <b>Class R EUR</b>       |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Eligible investors****</b>          | Retail                   | Institutional*           | Institutional*           | Retail                   | Retail                   |
| <b>Share Class currency</b>            | SEK                      | SEK                      | SEK                      | SEK                      | EUR                      |
| <b>Minimum subscription amount</b>     | SEK 2,000,000            | None                     | None                     | SEK 10,000,000           | None                     |
| <b>Minimum subsequent subscription</b> | None                     | None                     | None                     | None                     | None                     |
| <b>Minimum holding amount</b>          | None                     | None                     | None                     | None                     | None                     |
| <b>Initial subscription price</b>      | 100 SEK                  | 1,000 SEK                | 1,000 SEK                | 100 SEK                  | 100 EUR                  |
| <b>Valuation Day</b>                   | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day   | Each Bank Business Day   |
| <b>First Valuation Day</b>             | [***]                    | [***]                    | [***]                    | [***]                    | [***]                    |
| <b>Subscription fee</b>                | None                     | None                     | None                     | None                     | None                     |
| <b>Redemption fee</b>                  | None                     | None                     | None                     | None                     | None                     |
| <b>Conversion fee</b>                  | None                     | None                     | None                     | None                     | None                     |
| <b>Form of Shares</b>                  | Capitalisation Shares    | Capitalisation Shares    | Capitalisation Shares    | Capitalisation Shares    | Capitalisation Shares    |
| <b>Share Class hedged</b>              | Yes                      | Yes                      | Yes                      | Yes                      | Yes                      |
| <b>Management company fee</b>          | up to maximum 0.04% p.a  | up to maximum 0.04% p.a  | up to maximum 0.04% p.a  | up to maximum 0.04% p.a  | up to maximum 0.04% p.a. |
| <b>Investment management fee**</b>     | up to maximum 1.25% p.a. | up to maximum 0.30% p.a. | up to maximum 0.30% p.a. | up to maximum 0.75% p.a. | up to maximum 1.50% p.a. |
| <b>Performance fee</b>                 | 20% of any net return    | 10% of any net return    | None                     | 15% of any net return    | 20% of any net return    |

| <b>Class of Shares</b>                 | <b>Class I-D SEK</b>     |
|--|--------------------------|
| <b>Eligible investors****</b>          | Institutional            |
| <b>Share Class currency</b>            | SEK                      |
| <b>Minimum subscription amount</b>     | SEK<br>10,000,000        |
| <b>Minimum subsequent subscription</b> | None                     |
| <b>Minimum holding amount</b>          | None                     |
| <b>Initial subscription price</b>      | 100 SEK                  |
| <b>Valuation Day</b>                   | Each Bank Business Day   |
| <b>First Valuation Day</b>             | [***]                    |
| <b>Subscription fee</b>                | None                     |
| <b>Redemption fee</b>                  | None                     |
| <b>Conversion fee</b>                  | None                     |
| <b>Form of Shares</b>                  | Distribution Shares      |
| <b>Share Class hedged</b>              | Yes                      |
| <b>Management company fee</b>          | up to maximum 0.04% p.a. |
| <b>Investment management fee**</b>     | up to maximum 1.00% p.a. |
| <b>Performance fee</b>                 | 20% of any net return    |

\* Shares of Class S will only be issued to funds managed by Coeli Asset Management AB. However, the Board of Directors may in its discretion accept subscriptions from other investors.

\*\* The investment management fee includes the distribution fee to be paid to the Global Distributor for the relevant Class.

\*\*\* Classes RF and IF-Shares are available only to investors who have entered into an investment agreement with the Global Distributor. Classes RF and IF-Shares will be available solely at the discretion of the Investment Manager. The Investment Manager may in its absolute discretion close Classes RF or IF-Shares to new subscriptions without notice. Investors should contact the Investment Manager prior to making a subscription application for information as to whether Classes RF and IF-Shares are available.

\*\*\*\* In this perspective, eligible investor refers only to whether the Share Class is subject to a reduced subscription tax (taxe d'abonnement). Please refer to section "Taxation" for more information.

**Shareholders of the dividend share classes I-D SEK will receive a fixed dividend of 4% p.a. regardless of the performance of such share class in the relevant year. The dividend will be paid out four weeks after the annual general meeting of the Shareholders of the Fund at the latest. Dividends could be paid out of capital and further reduce the Sub-Fund's Net Asset Value. Dividends paid out of capital could be taxed as income in certain jurisdictions.**

**Reference Currency:** The Reference Currency of the Sub-Fund is USD.

**Additional Classes:** The Board of Directors may decide to launch additional Classes in different currencies.

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## **8. OFFER PRICE**

The Offer Price per Share is equivalent to the Net Asset Value per Share of the relevant Class.

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## **9. PERFORMANCE FEE**

In addition, the Investment Manager will receive from the Sub-Fund, payable out of the assets attributable to the relevant Class, a performance fee calculated as follows:

The performance fee is calculated on each Valuation Day and fixed on the last Valuation Day of the month and paid by the Sub-Fund to the Investment Manager at the end of each month. The Performance Fee as at the end of each Performance Period shall be equal to performance fee percentage, presented in the table in section 7 above (available classes of shares), of the excess of the Net Asset Value per Share over the higher of (i) the adjusted high watermark and (ii) the fixed high watermark multiplied by the total number of outstanding Shares of the relevant Class at the end of the relevant Performance Period.

The Adjusted High Watermark is defined as the high watermark adjusted for the effect of subscriptions, redemptions and potential distributions, as described below.

The Fixed High Watermark is defined as the higher of the Net Asset Value per Share of the relevant Class on the last day of the Performance Period that a Performance Fee was paid and its initial Subscription Price.

There will be no periodic reset of the high watermark.

Any underperformance of the Sub-Fund compared to the high watermark is clawed back before any performance fee becomes payable. To this purpose, the length of the performance reference period is the whole life of the Sub-Fund.

In the event of underperformance of the Sub-Fund in relation to the last calculated Net Asset Value, the provision is readjusted by means of a reversal of the provision.

When calculating the eventual performance fee, the performance of the Class of Shares will be determined on the basis of the change in Net Asset Value per Share, after the deduction of all fees (excluding performance fee). The performance fee, if any, will be calculated based on the number of Shares in issue on that Valuation Day.

In order to prevent artificial increase, the Adjusted High Watermark will at all times take into account the Effect of New Subscriptions and Effect of Redemptions or Distributions as described below. New subscriptions ("Effect of New Subscriptions") will increase both the Net Asset Value of the Class of Shares and the Adjusted High Watermark, in each case by the amount of such new subscriptions. Redemptions of Shares of a Share Class or distributions ("Effect of Redemptions or Distributions") decrease the Net Asset Value of the Class of Shares by the amount of the redemption or distribution and will result in a proportional reduction in the Adjusted High Watermark for the Class of Shares.

The calculated performance fee is the lower of the following:



1)  

$$\frac{\{([\text{Net Asset Value (before performance fees) per share of the Sub-Fund at the end of the month adjusted with crystallization on redemption/conversion} + \text{Cumulated dividends per share paid during the period (if any)})/[\text{Adjusted HWM of the previous NAV date} \times \text{outstanding shares of the previous NAV date} + \text{Net subscriptions (i.e. subscriptions} - \text{adjusted HWM of previous NAV date} \times \text{number of redeemed/converted shares})]/\text{outstanding shares at NAV date}) - 1\} \times \text{Adjusted HWM} \times \text{outstanding shares at NAV date}}{1}$$
= Net increase per share as a result of operations

Or

2)  

$$\{([\text{Net Asset Value (before performance fees) per share of the Sub-Fund at the end of the month} + \text{Cumulated dividends per share paid during the period (if any)})/[\text{HWM}] \times \text{HWM} \times \text{outstanding shares at NAV date} - \text{Adjusted HWM} \times \text{outstanding shares at NAV date}) \times \text{Adjusted HWM} \times \text{outstanding shares at NAV date}$$

The concept of "crystallization" will be applied, meaning that the performance fee due to the Investment Manager is precisely determined (accrued or "crystallized") at any time, in order to ensure that an investor applying for the redemption of his Shares within a certain period nevertheless pays an adequate portion of the performance fee due at the end of the month. The crystallized performance fee is paid out of the Sub-Fund at the end of each month.

The performance fee shall be subject to a "High Watermark".

The table below can be used to illustrate the performance fee calculation. Please note that a Performance Fee Rate of 10% is used in the table.

| Performance Fee (PF) Period | NAV*  | AHWM** | Fixed HWM**** | Performance Fee   | NAV after performance fee | AHWM  | Fixed HWM |
|-----------------------------|-------|--------|---------------|---|---------------------------|-------|-----------|
| PF Period # 1 Start         | 10.00 | 10.00  | 10.00         | 0   | 10.00                     | 10.00 | 10.00     |
| PF Period # 1 End           | 11.00 | 10.50  | 10.00         | Yes<br>The NAV exceeds the AHWM and the Fixed HWM, therefore a PF of 10% * AHWM * (NAV/AHWM-1) = .05 is payable | 10.95                     | 10.95 | 10.95     |

| PF Period           | NAV   | AHWM  | Fixed HWM | Performance Fee   | NAV after performance fee | AHWM  | Fixed HWM |
|---------------------|-------|-------|-----------|---|---------------------------|-------|-----------|
| PF Period # 2 Start | 10.95 | 10.95 | 10.95     | 0   | 10.95                     | 10.95 | 10.95     |
| PF Period # 2 End   | 11    | 12    | 10.95     | No<br>The NAV does not exceed the AHWM therefore no PF is payable | 11                        | 12    | 10.95     |

| PF Period           | NAV   | AHWM  | Fixed HWM | Performance Fee  | NAV after performance fee | AHWM  | Fixed HWM |
|---------------------|-------|-------|-----------|--|---------------------------|-------|-----------|
| PF Period # 3 Start | 11    | 12    | 10.95     | 0  | 11                        | 12    | 10.95     |
| PF Period # 3 End   | 10.50 | 10.00 | 10.95     | No<br>The NAV exceeds the AHWM, but does not exceed the Fixed HWM therefore there is no PF payable | 10.50                     | 10.00 | 10.95     |

\* NAV = Net Asset Value

\*\* AHWM = Adjusted High Watermark

\*\*\* PF = Performance Fee

\*\*\*\*Fixed HWM = Fixed High Watermark

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#### **10. FEES OF THE DEPOSITORY, THE CENTRAL ADMINISTRATION AGENT AND REGISTRAR AND TRANSFER AGENT**

The Fund will pay to the Depository, the Central Administration Agent and the Registrar and Transfer Agent an annual average global fee of maximum 0.30% based on the total net assets of the Fund. The above remuneration is payable monthly and does not include the transaction fees and the costs of the appointed sub-custodians. Nevertheless, as the total net assets of the Fund and the volume of transactions cannot be predicted, the overall fee may be slightly higher or slightly lower than the rate indicated. The Depository, the Central Administration Agent and Registrar and Transfer Agent are also entitled to be reimbursed of reasonable out of pocket expenses which are not included in the above mentioned rate.

The amount paid by the Fund to the Depository, the Central Administration Agent and Registrar and Transfer Agent will be mentioned in the annual report of the Fund.

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#### **11. AVAILABILITY OF THE NET ASSET VALUE AND OF OTHER INFORMATION**

The Net Asset Value per Share of each Class in the Sub-Fund will be available at the registered office of the Fund and [www.coeli.com](http://www.coeli.com).

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#### **12. RISK WARNINGS**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "General Risk Considerations" in Part A of this Prospectus.

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#### **13. DURATION**

The Sub-Fund is established for an unlimited duration.

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#### **14. INVESTMENT MANAGER**

The AIFM has appointed, with the prior consent of the Fund, Coeli Asset Management AB, with registered office at Sveavägen 24-26 SE-111 57 Stockholm Sweden (the "**Investment Manager**") to be Investment Manager for the Sub-Fund. Coeli Asset Management AB is a

company regulated by the Swedish Financial Supervisory Authority, Finansinspektionen. The Investment Manager is entitled to receive for its investment management services out of the assets of the respective Class within the Sub-Fund an investment management fee, payable monthly in arrears at such rate p.a. as set out in respect of each Class under point "Available Classes of Shares" here above. The investment management fee is based on the average Net Asset Value of the relevant Class over the relevant period.