

**GALLOWAY GLOBAL FUND**

***Société Anonyme (SA)***

***Société d'Investissement à Capital Variable (SICAV)***

***established under the laws of the Grand-Duchy of Luxembourg***

***UCITS under the Directive 2009/65/EC***

**PROSPECTUS**



**June 2024**

**VISA 2024/176874-8046-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2024-07-01  
Commission de Surveillance du Secteur Financier

*h3h*

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus, the KID(s) or the accompanying Subscription Application Form in any such jurisdiction may treat this Prospectus, the KID(s) or such Subscription Application Form as constituting an invitation to subscribe for Shares, nor should they in any event use such Subscription Application Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Subscription Application Form could lawfully be used without compliance with any registration or other legal requirements.

Subscriptions can only be accepted on the basis of the Prospectus, the Articles and the KIDs accompanied by the latest annual report (if any), as well as by the latest semi-annual report, if published after the latest annual report. These reports form part of the Prospectus and the KID(s).

The fact that the Fund is recorded on the official list compiled by the CSSF shall under no circumstance or in any way whatsoever be construed as a positive opinion given by the CSSF on the quality of the shares offered for subscription.

The Fund, its Board of Directors, the Investment Manager, the Investment Advisor, the Depositary, the Administrative and Registrar and Transfer Agent and the Management Company shall not divulge any confidential information concerning the Shareholders and investors unless required to do so by law or regulation. The Shareholders and investors agree that personal details included in the Subscription Application Form and resulting from the business relationship with the Fund, its Board of Directors, the Investment Manager, the Investment Advisor, the Depositary, the Administrative and Registrar and Transfer Agent may be stored, modified or used in any other way by the Fund, its Board of Directors, the Investment Manager, the Investment Advisor, the Depositary, the Administrative and Registrar and Transfer Agent and the Management Company, for the purpose of administering and developing the business relationship with the Shareholders and investors. To this end data may be transmitted to companies working with the entities being appointed by the Fund and the Management Company to support the business relationship in accordance with the GDPR.

Copies of this Prospectus can be obtained from and enquiries regarding the Fund should be addressed to:

**Lemanik Asset Management S.A.**

**106, Route d'Arlon**

**L-8210 Mamer**

**Grand Duchy of Luxembourg**

**Tel. no: +352 26 39 60**

**Fax. no: +352 26 39 60 02**

**[www.lemanik.lu](http://www.lemanik.lu)**

## 1. IMPORTANT INFORMATION

1. PROSPECTIVE INVESTORS SHOULD READ THIS PROSPECTUS CAREFULLY BEFORE DECIDING WHETHER TO PURCHASE SHARES IN THE FUND AND SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION UNDER THE APPENDIX II "RISKS OF INVESTMENTS". THE FUND AND ITS INVESTMENTS IN WHICH IT INVESTS ARE SPECULATIVE INVESTMENTS AND INVOLVE SIGNIFICANT RISKS. THERE CAN BE NO ASSURANCE THAT THE FUND OR ANY OF THE INVESTMENTS WILL ACHIEVE ITS OR THEIR RESPECTIVE INVESTMENT OBJECTIVES OR OTHERWISE BE ABLE TO SUCCESSFULLY CARRY OUT THEIR RESPECTIVE INVESTMENT PROGRAMS. AN INVESTOR SHOULD NOT INVEST UNLESS HE/SHE/IT IS ABLE TO SUSTAIN THE LOSS OF ALL OR A SIGNIFICANT PORTION OF ITS INVESTMENT.
2. INVESTMENT IN THE FUND CARRIES SUBSTANTIAL RISKS. INVESTMENT IN THE FUND IS NOT INTENDED TO BE A COMPLETE INVESTMENT PROGRAM FOR ANY INVESTOR. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER (I) WHETHER AN INVESTMENT IN SHARES IS SUITABLE FOR THEM IN LIGHT OF THEIR CIRCUMSTANCES AND FINANCIAL RESOURCES AND (II) THE APPENDIX II "RISKS OF INVESTMENTS".
3. **GALLOWAY GLOBAL FUND** (the "**Fund**") has been authorized under Part I of the Luxembourg law of 17 December 2010 relating to collective investment undertakings ("*loi relative aux organismes de placement collectif*", the "**2010 Law**") and qualifies as an Undertaking for Collective Investments in Transferable Securities ("**UCITS**"), and may therefore be offered for sale in European Union ("**EU**") member states (subject to registration in countries other than the Grand Duchy of Luxembourg). In addition, applications to register the Fund for sale purposes may be made in other countries. The Fund is an investment company organized under the laws of the Grand Duchy of Luxembourg as a public limited liability company (*Société Anonyme*) – investment company with variable capital (*Société d'Investissement à Capital Variable*).
4. 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 of the Sub-Funds may be most appropriate for their specific risk and return expectations as well as their diversification needs. Furthermore, in accordance with the Articles, the Board of Directors may issue Shares of different Classes of Shares in each Sub-Fund.
5. Shares are offered on the basis of the information contained in this Prospectus and the documents referred to therein. The Shares to be issued hereunder may be of several different Classes of Shares which relate to several separate Sub-Funds. Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Share of the relevant Sub-Fund or Class of Shares. No person is authorized to give any information or to make any representations concerning the Fund other than as contained in this Prospectus, the Articles and the KID(s), as defined below, 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.

6. The Directors, whose names are set out under heading "Board of Directors", have taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge and belief, in accordance with the facts and does not omit anything material to such information.
7. Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorized and should accordingly not be relied upon.
8. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Fund shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof.

A Key Information Document ("KID") for each available Class of Shares of each Sub-Fund shall be made available to investors free of charge prior to their subscription for Shares. Prospective investors must consult the KID for the relevant Class of Shares and Sub-Fund in which they intend to invest. Prospective investors should review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

9. The provisions of the Articles are binding on each of the Shareholders.
10. The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain jurisdictions; persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer by anyone in any jurisdiction in which such offer is not authorized, or to any person to whom it is unlawful to make such offer.
11. The Board of Directors has the power to refuse an application for Shares and the acceptance of such application does not confer on investors a right to acquire Shares in respect of any future or subsequent application.
12. The Board of Directors may make an application to register and distribute the Shares in jurisdictions outside the Grand Duchy of Luxembourg. In the event that such registrations take place, the Board of Directors may appoint paying agents, representatives, distributors or other agents in the relevant jurisdictions.
13. The distribution of this Prospectus is not authorized unless it is accompanied by the most recent annual and semi-annual reports of the Fund, if any. Such report or reports, even if published thereafter, are deemed to be an integral part of this Prospectus. **The most recent annual report and the latest semi-annual report, if published thereafter, form an integral part of this Prospectus.**

14. The distribution of this Prospectus in certain jurisdictions may require that it be translated into an appropriate language. However, the official language of this Prospectus shall be English. In the event of a discrepancy between the English version of the Prospectus and the versions written in other languages, the English version shall take precedence.
15. The settlement of disputes or disagreements on investments in the Fund will be subject to Luxembourg law.
16. Investors should note that not all the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.
17. **Luxembourg** - The Fund is registered pursuant to Part I of the 2010 Law. However, such registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the assets held in the various Sub-Funds and the visa on the Prospectus shall not be used as an advertising point. Any representations to the contrary are unauthorised and unlawful.
18. **European Union ("EU")** - The Fund is an UCITS for the purposes of the UCITS Directive and the Board of Directors proposes to market the Shares in accordance with the UCITS Directive in certain EU member states and in countries which are not member states of the EU.
19. **United States of America ("USA")** – Except as otherwise specified in the relevant Supplement, none of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or under the securities laws of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the "**United States**"). The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. **Shares will be offered only to non-US Persons or Permitted US Persons. The term "Permitted US Person" means a tax-exempt U.S. Person or an entity substantially all of the ownership interests in which are held by tax-exempt US Persons. For the purposes of this Prospectus, an "US Person" includes, but is not limited to, a person (including a partnership, corporation, limited liability company or similar entity) that is a citizen or a resident of the United States of America or is organized or incorporated under the laws of the United States of America. Certain restrictions also apply to any subsequent transfer of Shares in the United States of America or to US Persons (please see the compulsory redemption provisions under "Minimum Subscription and Holding Amounts and Eligibility for Shares" in "6.1. Subscription, Redemption and Conversion of Shares" below).**
20. **Brazil** – The Shares offered hereby have not been, and will not be, registered with the Brazilian securities authorities (Comissão de Valores Mobiliários – CVM).
21. The Fund nor any of its service providers operate with entities or persons in countries identified by US government as terrorist's supporters and proliferation of mass destruction weapons. The list could be accessed at <https://sanctionssearch.ofac.treas.gov/> (the "**Sanctions List**"). The Sanctions List includes the "Specially Designated Nationals and Blocked Persons" list ("**SDN List**") and all other sanctions lists administered by the "Office of Foreign Assets Control" (OFAC), including the "Foreign Sanctions Evaders" list, the list of "Persons

Identified as Blocked Solely” pursuant to E.O. 13599, the Non-SDN “Iran Sanctions Act” list, the “Part 561” list, the “Sectoral Sanctions Identifications” list and the Non-SDN “Palestinian Legislative Council” list. Other restricted countries included are: Myanmar (Burma), North Korea, Sudan, Cuba and Syria.

22. If you are in any doubt as to your status, you should consult your financial or other professional adviser.
23. This Prospectus and the documents referenced or incorporated by reference herein and any additional written materials furnished to the investor by or on behalf of the Fund may contain forward-looking statements with respect to the Fund and its financial condition, results of operations, business and prospects. Statements that are not historical facts may include forward-looking statements.
24. The words “believe”, “expect”, “anticipate”, “hope”, “intend”, “may”, “will”, “should”, “could”, “potential”, “continue”, “estimate”, “predict”, “project”, “forecast”, “assume” and “plan” and similar expressions, or the negative of such expressions, may identify forward-looking statements. Additionally, any statements concerning future financial performance (including, but not limited to, future revenues, earnings or growth rates), ongoing or anticipated business objectives, strategies or prospects and possible future actions or plans by the Fund are also forward-looking statements.
25. Forward-looking statements are based on the Funds’ current expectations or beliefs regarding future events or circumstances, and Investors are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements are subject to numerous estimates and assumptions, known and unknown risks and uncertainties. A number of factors, many of which are out of the Funds’ control and are difficult to forecast, could cause actual future results to differ materially from those projected or implied in such forward-looking statements. While it is impossible to identify all such factors, those factors described under the Appendix II “Risks of Investments” of this Prospectus include some of the factors which could cause actual results to differ materially from those expressed or implied in any forward-looking statements. All of the forward-looking statements contained in this Prospectus and the documents referenced or incorporated by reference herein, and in any additional written materials furnished to the investor by or on behalf of the Fund, should be considered in light of these and other risk factors.
26. The forward-looking statements contained in this Prospectus are as of the date appearing on the front page of this Prospectus, and the forward-looking statements contained in the documents referenced or incorporated by reference herein and in any additional written materials furnished to prospective investors by or on behalf of the Fund are as of the respective dates stated in those documents. The Fund disclaims any obligation to update, review or revise any forward-looking statements to reflect any change in expectations or assumptions with regard thereto or to reflect anticipated or unanticipated events or circumstances occurring (i) with respect to this Prospectus, after the date appearing on the front page of this Prospectus, and (ii) with respect to the documents referenced or incorporated by reference herein and any additional written materials furnished to prospective investors by or on behalf of the Fund, after the respective dates of such documents.
27. All forward-looking statements attributable to the Fund or any person acting on its behalf are expressly qualified in their entirety by this cautionary statement.

28. This Prospectus, the Articles and the KIDs published by the Fund are available at the registered office of the Fund.
29. The Board of Directors shall not divulge any confidential information concerning the investor unless required to do so by law or regulation. The investor agrees that personal details contained in the application form and arising from the business relationship with the Board of Directors may be stored, modified or used in any other way by the Board of Directors or the Investment Manager for the purpose of administering and developing the business relationship with the investor. To this end data may be transmitted to the Investment Manager, financial advisers working with the Investment Manager, as well as to other companies being appointed to support the business relationship (e.g. external processing centers, dispatch or paying agents). Investors should refer to section 7.10 of the Prospectus on Data Protection.
30. This Prospectus and the KIDs may also be translated into other languages. However, the official language of this Prospectus shall be English. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus / KIDs. To the extent that there is any inconsistency between the English language Prospectus / KIDs and the Prospectus / KIDs in another language, the English language Prospectus / KIDs will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus / KIDs on which such action is based shall prevail.
31. The Board of Directors draws the investors' attention to the fact that any investor will only be able to fully exercise his/her/its investor rights directly against the Fund, notably the right to participate in general Shareholders' meetings if the investor is registered himself/herself/itself and in his/her/its own name in the Shareholders' register. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his/her/its 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.

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## 2. DIRECTORY

### FUND'S REGISTERED OFFICE

106, Route d'Arlon  
L-8210 Mamer, Grand Duchy of Luxembourg  
Grand Duchy of Luxembourg

### MANAGEMENT COMPANY, GLOBAL DISTRIBUTOR AND DOMICILIARY AGENT

#### **Lemanik Asset Management S.A.**

106, Route d'Arlon  
L-8210 Mamer  
Grand Duchy of Luxembourg  
RCS: B.44.870

#### **Board of directors of the Management**

##### **Company**

Mr. Gianluigi SAGRAMOSO  
Mr. Carlo SAGRAMOSO  
Mr. Philippe MELONI

#### **Conducting persons of the Management**

##### **Company**

Mr. Jean-Philippe CLAESSENS  
Mr. Cédric COUDRON  
Mr. Alexandre DUMONT  
Mrs. Rachel KEIP  
Mrs. Armelle MOULIN  
Mr. Gilles Roland

### DEPOSITARY

#### **European Depositary Bank SA**

9A, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg  
RCS: B.10.700

### AUDITOR

#### **Ernst & Young S.A.**

35E, Avenue John F. Kennedy, L-1855  
Luxembourg, Grand Duchy of Luxembourg  
RCS: B.47.771

### BOARD OF DIRECTORS

#### **Chairman:**

#### **Mr. Nathan Shor Gliksman**

Partner of the Investment Manager

#### **Members:**

#### **Mr. Ulisses Russo de Oliveira**

Partner of the Investment Manager

#### **Ms. Maria Mateos Recio**

Relationship Manager of the Management Company

### INVESTMENT MANAGER

#### **Galloway Capital Gestora De Recursos Ltda**

Avenida Juscelino Kubitscheck, No. 1726, 13º floor,  
room 1305,, Edificio Spazio Jk, Itaim Bibi  
ZIP Code 04543-000, São Paulo, Brazil

### INVESTMENT ADVISOR

#### **Galloway Capital Management Ltd.**

P.O. Box 4428,  
Columbus Centre,  
Road Town, Tortola,  
British Virgin Islands

### ADMINISTRATOR, PAYING AGENT, REGISTRAR AND TRANSFER AGENT

#### **Apex Fund Services S.A.**

3, rue Gabriel Lippmann  
L-5365 Munsbach  
Grand Duchy of Luxembourg  
RCS: B.241.514

### LEGAL ADVISOR (Luxembourg)

#### **Chevalier & Sciales**

36-38, Grand Rue  
L-1660 Luxembourg  
Grand Duchy of Luxembourg.

### 3. GLOSSARY

The following definitions shall apply throughout this Prospectus unless the context requires otherwise.

<b>1915 Law</b>	The consolidated Luxembourg law dated 10 August 1915 relating to commercial companies, as amended or supplemented from time to time.
<b>2004 Law</b>	The law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended from time to time, in particular by the law dated 17 July 2008, the law dated 27 October 2010 and the law dated 13 February 2018.
<b>2010 Law</b>	The Luxembourg law dated 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.
<b>Actively Managed</b>	An actively managed Sub-Fund is a Sub-Fund where the Investment Manager has discretion over the composition of its portfolio, subject to the stated investment objectives and policy. An actively managed Sub-Fund does not have an index tracking objective although it may but is not obliged to include or imply reference to a benchmark.
<b>Administration Agreement</b>	The central administration agreement between the Administrative, Registrar and Transfer Agent, the Management Company and the Fund entered into from time to time.
<b>Administrative Agent</b>	Any administrative agent appointed from time to time.
<b>Advisory Fee</b>	An advisory fee payable in respect of each Sub-Fund, as the case may be.
<b>AML/CTF Laws and Regulations</b>	The 2004 Law, the CSSF Regulation 12/02 and all the implementing measures, regulations, circulars or positions (issued in particular by the CSSF) made thereunder (as may be amended or supplemented from time to time) and/or any other anti-money laundering or counter terrorist financing laws or regulations which may be applicable.
<b>Ancillary Liquid Assets</b>	Ancillary liquid assets means bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law or for a period of time strictly necessary in case of unfavourable market conditions.
<b>Appendix</b>	The relevant appendix of the Prospectus.
<b>Articles</b>	The articles of association of the Fund, as amended from time to time.
<b>Auditor</b>	Any auditor appointed by the Fund from time to time.

<b>Benchmark Regulation</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 014/17/EU and Regulation (EU) No 596/2014.
<b>Board of Directors</b>	The board of directors of the Fund.
<b>Brazil</b>	The Federative Republic of Brazil.
<b>BRL</b>	Brazilian real, the lawful currency in Brazil.
<b>Business Day</b>	Any day other than a Saturday, Sunday, the 24 <sup>th</sup> of December of each year and the Good Friday or other day that is a legal holiday under the laws of the Grand Duchy of Luxembourg and the laws of Brazil, or is a day on which banking institutions located in the Grand Duchy of Luxembourg and in Brazil are required by law or other governmental action to close.
<b>CHF</b>	The lawful currency of Switzerland.
<b>Class of Shares or Classes of Shares</b>	A class of Shares issued in any of the Sub-Funds and any further classes of Shares issued by any of the Sub-Funds.
<b>Commission Directive 2006/73/EC</b>	The Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that directive, as amended from time to time.
<b>“Contingent Convertible Bonds” or “CoCos”</b>	Subordinated contingent capital securities, instruments issued by banking/insurance institutions to increase their capital buffers in the framework of new banking/insurance regulations. Under the terms of a contingent convertible bond, certain triggering events (such as a decrease of the issuer's capital ratio below a certain threshold or a decision of the issuer's regulatory authority) could cause the permanent writedown to zero of principal investment and/or accrued interest, or a conversion to equity.
<b>Country Supplement</b>	Document as may be distributed in certain jurisdictions, that contains important information about the offer of the Fund in such jurisdictions as required by local laws.
<b>Crystallisation</b>	The point at which any Performance Fee becomes payable to the Investment Manager, even if it is paid out at a later date. Crystallisation will occur either at the end of a financial year if a Performance Fee is paid or on the day when a Shareholder redeems, converts or transfers all or part of his/her/its shareholding (such crystallisation to occur only

	in respect of the proportion of the Shares being redeemed, converted or transferred).
<b>CSSF</b>	The “ <i>Commission de Surveillance du Secteur Financier</i> ”, the Regulatory Authority.
<b>CSSF Circular 02/77</b>	The CSSF circular 02/77 of 27 November 2002 regarding the protection of investors in case of NAV calculation error and correction of the consequences resulting from non-compliance with the investment rules applicable to undertakings for collective investment.
<b>CSSF Circular 08/356</b>	The CSSF circular 08/356 of 4 June 2008 determining the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instrument.
<b>CSSF Circular 11/512</b>	The CSSF circular 11/512 of 30 May 2011, as amended by Circular 18/698, determining the (i) presentation of the main regulatory changes in risk management following the publication of CSSF Regulation 10-4 and ESMA clarifications, (ii) further clarifications from the CSSF on risk management rules and (iii) definition of the content and the format of the risk management process to be communicated to the CSSF.
<b>CSSF Circular 13/559</b>	The CSSF circular 13/559 related to the ESMA guidelines on ETFs and other UCITS issues.
<b>CSSF Circular 14/592</b>	The CSSF circular 14/592 of 30 September 2014 regarding the Guidelines of the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues.
<b>CSSF Circular 15/609</b>	The CSSF circular 15/609 of 27 March 2015 regarding the developments in automatic exchange of tax information and anti-money laundering in tax matters.
<b>CSSF Circular 16/644</b>	The CSSF circular 16/644 of 11 October 2016, as amended by Circular CSSF 18/697, regarding the provisions applicable to credit institutions acting as UCITS depositaries subject to Part I “and UCIs subject to Part II” of the Law of 17 December 2010 relating to undertakings for collective investment and to all UCITS, where appropriate, represented by their management company.
<b>CSSF Circular 04/146</b>	The CSSF circular 04/146 regarding the protection of undertakings for collective investment and their investors against late trading and market timing practices.
<b>CSSF Regulation 12/02</b>	The CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended by CSSF Regulation N°20-05 of 14 August 2020.

<b>Cut-Off Time</b>	The deadline, on or before the relevant Valuation Day, as specified for each Sub-Fund in the relevant Supplement, before which applications for subscription, redemption or conversion of Shares of any Class of Shares in any Sub-Fund must be received by the Registrar and Transfer Agent in order to be dealt with on the relevant Subscription Day or Redemption Day, as the case may be.
<b>Debt Security</b>	Bonds and other forms of securitised debt.
<b>Depository Bank or Depository</b>	Any depository bank appointed by the Fund from time to time.
<b>Depository Agreement</b>	The depository bank agreement between the Fund and the Depository Bank entered into from time to time.
<b>Directive 2013/34</b>	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC.
<b>Directors</b>	The members of the Board of Directors, for the time being and any successors to such members as may be appointed from time to time.
<b>Distributor</b>	The person or entity duly appointed from time to time to distribute or arrange for the distribution of Shares (including the Global Distributor).
<b>Domiciliary Agent</b>	Any domiciliary agent appointed by the Fund from time to time.
<b>EPM</b>	Efficient portfolio management.
<b>EPM Techniques</b>	Efficient portfolio management techniques.
<b>ESG</b>	Environmental, social and governance considerations.
<b>ESG Factors</b>	Environmental, social and governance factors.
<b>ESMA Guidelines 2014/937</b>	ESMA guidelines for competent authorities and UCITS management companies, in particular regarding ETFs and other UCITS issues.
<b>EU</b>	The European Union.
<b>EU Member State / Member State</b>	A member state of the European Union.
<b>EUR / Euro</b>	The official single European currency adopted by a number of EU Member States participating in the Economic and Monetary Union.
<b>Eurobond(s)</b>	An “Eurobond” means an international bond that is denominated in a currency not native to the country where it is issued.
<b>FATCA</b>	The Foreign Account Tax Compliance Act provisions of the United States of America, enacted in 2010 as part of the Hiring Incentives to Restore Employment (HIRE) Act.
<b>FDI</b>	Financial derivative instruments.

<b>Financial Year</b>	The financial year of the Fund. The Financial Year starts on 1 January each year and ends on 31 December each year.
<b>First Class Institutions</b>	First class financial institutions subject to prudential supervision and belonging to the categories approved by the CSSF as counterparty for an OTC Derivative transaction and specialized in this type of transactions.
<b>Fund</b>	<b>Galloway Global Fund</b> , an investment company organized under Luxembourg Law as a <i>société anonyme</i> qualifying as a <i>société d'investissement à capital variable</i> ("SICAV"), authorized under Part I of the 2010 Law and qualified as a UCITS under the UCITS Directive.
<b>GDPR</b>	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.
<b>Global Distributor</b>	Lemanik Asset Management S.A. or any successor and/or any entity to which the function of Global Distributor is delegated.
<b>Institutional Investor(s)</b>	An undertaking or organisation that manages important funds and values such as, <i>inter alia</i> , credit institutions, professionals of the financial sector – including investments in their own name but on behalf of third parties pursuant to a discretionary management agreement – insurance and reinsurance companies, pension funds, holding companies, regional and local authorities.
<b>Investment Advisor</b>	Any entity to which the investment advisory functions may be delegated by the Investment Manager.
<b>Investment Advisory Agreement</b>	The agreement between the Investment Manager and the Investment Advisor in the presence of the Fund and the Management Company, entered into from time to time.
<b>Investment Management Agreement</b>	The agreement between the Management Company and the Investment Manager in the presence of the Fund, entered into from time to time.
<b>Investment Manager</b>	Any entity to which the investment management functions may be delegated by the Management Company.
<b>KID(s)</b>	The Key Information Document issued for each available Class of Shares.
<b>Management Company</b>	<b>LEMANIK ASSET MANAGEMENT S.A.</b> , the management company of the Fund.
<b>Management Company Services Agreement</b>	The agreement between the Fund and the Management Company entered into from time to time.

<b>Management Fee</b>	A management fee payable to the Investment Manager in respect of each Sub-Fund, as the case may be.
<b>Mémorial</b>	The <i>Mémorial, Recueil des Sociétés et Associations</i> , the official journal of Luxembourg.
<b>Money Market Instruments</b>	Instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time and instruments eligible as money market instruments, as defined by guidelines issued by the CSSF from time to time.
<b>Net Asset Value or NAV</b>	In relation to any Shares of any Class of Shares, the value per Share determined in accordance with the relevant provisions described under the heading "Determination of the Net Asset Value of Shares".
<b>OTC Derivative</b>	Any financial derivative instrument dealt in over-the-counter.
<b>Other Regulated Market</b>	Market which is regulated, operates regularly and is recognised and open to the public, namely a market: <ul style="list-style-type: none"> <li>- that meets the following cumulative criteria: high liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions);</li> <li>- on which the securities are dealt in at a certain fixed frequency;</li> <li>- which is recognised by a State or by a public authority which has been delegated by that State or by another entity which is recognised by that State or by that public authority such as a professional association; and</li> <li>- on which the securities dealt are accessible to the public.</li> </ul>
<b>Other State</b>	Any state of Europe which is not a Member State, and any state of America, Africa, Asia, Australia and Oceania.
<b>Performance Fee</b>	A performance fee payable in respect of each Sub-Fund or each Class of Shares, as the case may be. Such performance fee will be charged on the basis of the unswung NAV.
<b>Placement Fee</b>	An entry charge not exceeding a certain percentage of the subscription amount, as disclosed in the relevant Supplement, which can be deducted from the subscription amount of Shares before investment to compensate selected financial intermediaries and other persons who assist in the placement of Shares.
<b>Principal Adverse Impacts</b>	Impacts of investment decisions and advice that result in negative effects on Sustainability Factors.
<b>Prohibited Person(s)</b>	Any person by whom a holding of Shares (legally or beneficially) would or to whom a transfer of Shares (legally or beneficially) or, in the opinion of the Directors, might:

	<p>a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or</p> <p>b) require the Fund, the Management Company or the Investment Manager to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Fund to be required to comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or</p> <p>c) cause the Fund, its Shareholders, the Management Company or the Investment Manager some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Fund, its Shareholders, the Management Company or the Investment Manager might not otherwise have incurred or suffered; or</p> <p>d) any US Person.</p>
<b>Prospectus</b>	This prospectus together with its Appendices and the Supplements, as supplemented or amended from time to time.
<b>RCS</b>	The Luxembourg register of commerce and companies.
<b>Redemption Day</b>	The Business Day on which Shares in the relevant Sub-Fund may be redeemed.
<b>Redemption Fee</b>	A redemption fee payable in respect of each Sub-Fund or each Class of Shares, as the case may be.
<b>Redemption Price</b>	The price corresponding on each Valuation Day to the corresponding Net Asset Value per Share of the relevant Class of Shares less any applicable fees or expenses, as disclosed in the relevant Supplement.
<b>Redemption Request</b>	The form to be sent to request the redemption of Shares.
<b>Reference Currency</b>	The reference currency of a Sub-Fund or a Class of Shares which, however, does not necessarily correspond to the currency in which the Sub-Fund's assets are invested at any point in time.
<b>Registrar and Transfer Agent</b>	Any agent(s) selected from time to time by the Management Company for the Fund with the consent of the Fund to perform all registrar and transfer agency duties required by Luxembourg law.
<b>Regulated Market</b>	A regulated market is a market for financial instruments within the meaning of Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
<b>Regulatory Authority</b>	The Luxembourg authority, <i>i.e.</i> the CSSF, or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg.

<b>Repurchase Transaction</b>	A transaction governed by an agreement by which a counterparty transfers securities, or guaranteed rights relating to title to securities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities or commodities of the same description at a specified price on a future date specified, or to be specified, by the transferor, being a repurchase agreement for the counterparty selling the securities and a reverse repurchase agreement for the counterparty buying them.
<b>RESA</b>	The <i>Recueil Electronique des Sociétés et Associations</i> which replaces the Mémorial as from 1 June 2016.
<b>RQFII Quota</b>	A quota granted to an investment manager through which the Fund may invest directly in the Chinese domestic market.
<b>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the sustainability-related disclosures in the financial services sector.
<b>SFT(s)</b>	Securities financing transactions in accordance with the SFTR.
<b>SFTR</b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
<b>Shareholder</b>	A holder of Shares of each Class of Shares.
<b>Shares</b>	Shares of each Sub-Fund that will be offered in registered form.
<b>State</b>	Any state of Europe which is not a Member State, and any state of America, Africa, Asia, Australia and Oceania.
<b>Sub-Fund</b>	Any sub-fund created or to be created under the umbrella of the Fund.
<b>Subscription Application Form</b>	The application form which must be completed by an investor who wishes to subscribe for Shares, as amended from time to time.
<b>Subscription Day</b>	The Business Day as disclosed in the relevant Supplement on which Shares in the relevant Sub-Fund may be subscribed.
<b>Subscription Price</b>	The price corresponding on each Valuation Day to the corresponding Net Asset Value per Share of the relevant Class of Shares, plus any applicable fees, or expenses, as disclosed in the relevant Supplement.
<b>Supplement</b>	The relevant supplement of the Prospectus relating to a specific Sub-Fund.
<b>Sustainability Factors</b>	Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

<b>Sustainability Risk</b>	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment, as specified in sectoral legislation, in particular in UCITS Directive, Directives 2009/138/EC, 2011/61/EU, 2013/36/EU, 2014/65/EU, (EU) 2016/97, (EU) 2016/2341, or delegated acts and regulatory technical standards adopted pursuant to them.
<b>Sustainable Investment</b>	An investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
<b>Taxonomy Regulation</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending the SFDR.
<b>Transferable Securities</b>	Transferable Securities means: <ul style="list-style-type: none"> <li>• Shares in companies and other securities equivalent to shares in companies;</li> <li>• bonds and other form of securitized debt; and</li> <li>• All other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.</li> </ul>
<b>UCI</b>	An “other undertaking for collective investment” within the meaning of paragraphs a) and b) of the UCITS Directive.
<b>UCITS</b>	An “undertaking for collective investment in transferable securities” authorized or within the meaning of Article 1 (2) of the UCITS Directive.
<b>UCITS Directive</b>	The Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time.
<b>UCITS V Directive</b>	The Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending UCITS Directive on the coordination

	of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions.
<b>UCITS Level 2 Regulation</b>	The Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing UCITS Directive with regard to obligations of depositaries.
<b>USD</b>	United states dollars, the lawful currency of the United States of America.
<b>US Person</b>	Any resident or person with the nationality of the United States of America or one of their territories or possessions or regions under their jurisdiction, or any other company, association or entity incorporated under or governed by the laws of the United States of America or any person falling within the definition of “US Person” under such laws.
<b>Valuation Day</b>	Each Business Day for which the Net Asset Value will be determined for each Class of Shares in each Sub-Fund as it is stipulated in the relevant Supplement.

**All references herein to time are to Luxembourg time unless otherwise indicated.**

**Words importing the singular shall, where the context permits, include the plural and vice versa.**

#### 4. THE FUND

The Fund was initially established in the British Virgin Islands on 1 August 2006 as a company under the provisions of the laws of the British Virgin Islands. The Fund was redomiciled to Luxembourg on 15 November 2013 under the name of Galloway Feeder Fund and is established for an unlimited period of time and organised under the form of a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg as a *société d'investissement à capital variable* ("SICAV") and authorized under Part I of the 2010 Law and therefore qualifies as a UCITS under Article 1(2) of the UCITS Directive, and may be offered for sale pursuant to the UCITS Directive regime in EU Member States (subject to registration in countries other than Luxembourg). In addition, applications to register the Fund may be made in other countries. The Fund has been renamed further to the extraordinary general meeting of the Shareholders on 30 May 2022 as Quasar Global Fund. The Fund has been renamed further to the extraordinary general meeting of the Shareholders on 5 October 2023 as **Galloway Global Fund**.

The Fund is registered with the RCS under number B.181.869. Its Articles have been published in the Mémorial on 29 November 2013. These Articles have been filed with the RCS. These Articles are kept available at the RCS for inspection and copies may be obtained upon request and free of charges.

The Management Company of the Fund is **Lemanik Asset Management S.A.** having its registered office at 106, Route d'Arlon L-8210 Mamer Grand Duchy of Luxembourg, as of 1<sup>st</sup> January 2015, registered with the RCS under number B.44.870.

The Fund is subject to the provisions of the 2010 Law and of the 1915 Law insofar as the 2010 Law does not derogate therefrom.

The Shares are not currently listed on the Luxembourg Stock Exchange and / or on any other stock exchange, but the Board of Directors may decide to quote one or more Classes of Shares of a Sub-Fund on the Luxembourg or any other stock exchange, from time to time. The Prospectus will be updated accordingly.

There is no limit to the number of Shares which may be issued. Shares may be issued to subscribers only in registered form.

The minimum share capital of the Fund must at all times be equal to one million two hundred fifty thousand Euro (EUR 1,250,000.-) which amount must be reached within a period of six (6) months following the authorization of the Fund by the CSSF.

The Fund's share capital is at all times equal to its Net Asset Value. The Fund's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

#### **4.1 Sub-Funds and Classes of Shares**

The Fund has an umbrella structure consisting of one or several Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective and policy applicable to that Sub-Fund. The investment objective, policy, as well as the risk profile and other specific features of each Sub-Fund are set forth in the relevant Supplement. 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 Classes of Shares within such Sub-Funds.

The Fund is one single legal entity. However, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting-up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively dedicated to the satisfaction of the rights of the Shareholder relating to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-Fund.

Within a Sub-Fund, the Board of Directors may decide to issue one or more Classes of Shares of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class of Shares.

The Board of Directors may, at any time, create (i) additional Classes of Shares whose features may differ from the existing Classes of Shares and (ii) additional Sub-Funds whose investment objectives may differ from those of the Sub-Funds in existence. Upon creation of new Sub-Funds or Classes of Shares, the Prospectus will be updated, if necessary, or supplemented with a new Supplement.

For the time being, the following Sub-Fund is available for subscription by investors:

- **Galloway Emerging Markets Bond Fund** or “**Sub-Fund 1**”.

Investors should note however that some Sub-Funds or Classes of Shares may not be available to all investors. The Fund retains the right to offer only one or more Classes of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reasons. The Fund may further reserve one or more Sub-Funds or Classes of Shares to Institutional Investors only.

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

The minimum initial and subsequent investments as well as the minimum holding requirements for each Sub-Fund are set out in the relevant Supplement.

#### **4.3 Subscription Price**

The Subscription Price of the Shares will be the Net Asset Value per Share plus any applicable fees or expenses specified for each Sub-Fund or Class of Shares in the relevant Supplement.

If a Placement Fee is applicable, it will be deducted from the subscription amount of Shares before investment to compensate selected financial intermediaries and other persons who assist in the placement of Shares.

#### **4.4 Dealing**

Shares may normally be purchased or redeemed at prices based on the Net Asset Value per Share of the relevant Class of Shares within the relevant Sub-Fund on the relevant Valuation Day (as defined in the relevant Supplement) of each Sub-Fund, plus (in case of subscription) or less (in case of redemption), if any, as the case may be, any additional fees, expenses, costs, as specified in the relevant Supplement.

### **5. INVESTMENT POLICIES**

#### **5.1 Investment policy of each Sub-Fund**

The Board of Directors has determined the investment policy and objective of each of the Sub-Fund(s) as described in the relevant Supplement. **There can be no assurance that the investment objective for any Sub-Fund will be attained.** Pursuit of the investment policy and objective of any Sub-Fund must be in compliance with the limits and restrictions set forth in particular with articles 41 and 43 of the 2010 Law as further described in Appendix I - *“Investment Restriction, Diversification and Loans”*.

The investment policy of each Sub-Fund is based upon the principle of risk spreading and shall, except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under the relevant Supplement, comply with the rules and restrictions laid down in particular with article 43 of the 2010 Law as further described in Appendix I - *“Investment Restriction, Diversification and Loans”*.

#### **Financial techniques and instruments**

Each Sub-Fund may utilise financial techniques and instruments for investment purposes, hedging purposes and EPM Techniques.

Given the conditions and restrictions prescribed by the Luxembourg supervisory authorities, the respective Sub-Fund may use techniques and instruments relating to securities and Money Market Instruments provided such use is made with the intention of providing efficient management of the respective Sub-Fund. If these transactions refer to the use of derivatives, conditions and restrictions should agree with the provisions of the 2010 Law and the CSSF Circular 13/559. More information on EPM Techniques can be found in Appendix III - *“Additional Information relating to FDIs and EPM Techniques”*, in particular in its section 3.

The Sub-Fund is not entitled to deviate from the investment objectives described in the Prospectus and/or these Articles and/or the relevant supplement when using such techniques and instruments.

The Sub-Fund may use and invest, as a part of its investment policy and within the limits laid down by the 2010 Law, the circulars issued by the CSSF and the Appendix I - *“Investment Restriction, Diversification and Loans”* and Appendix III - *“Additional Information relating to FDIs and EPM Techniques”*, in FDI (such as but not limited to options, swaps, future contracts, forward commitments).

### **ESG & SUSTAINABLE FINANCE PHILOSOPHY**

Even if for the time being none of the Sub-Funds are classified as Article 8 or Article 9 of SFDR, the Board of Directors considers that economic and financial participants have a greater responsibility towards Sustainable Investments and that ESG is a durable driver of financial performance.

As more fully described in the relevant Appendix, certain Sub-Funds may try to apply to all or part of their investment policy Sustainability Factors and/or ESG Factors. In such circumstances, such Sub-Funds will select investments /issuers/companies with sustainable characteristics. For the time being, no Sub-Fund is subject to Article 8 or Article 9 of SFDR. The sole Sub-Fund is subject to Article 6 of SFDR. As the case may be, this Prospectus will be updated accordingly.

By assessing ESG issues through a methodology developed in-house, the Fund examines and evaluates the Sustainability Risks that impact issuers/companies as well the opportunities linked to ESG investments and Sustainable Investments. Thanks to such a methodology, better informed investment decision from a risk-return perspective are taken.

In addition to the above, the Fund may invest (but is not limited to) in assets having an ESG objective ranging from:

- Exclusion: An investment approach where certain investments or classes of investment are excluded from the investible universe (i.e. companies, issuers sectors, or countries) on the basis of determined criteria. For instance, certain investments may also be excluded to their exposure to specific industries such as but without being limited to: weapons and gambling.

Prior to any investment, the regional/socioeconomical context of the country of origin of the companies / issuers would have to be considered and weighted. For instance, in some developing countries, the proceeds from coal mining, are vital to the country's current account balance in accordance with the level of engagement of its respective companies.

Sustainability Risk analysis are integrated in the fundamentals and valuation analysis before selecting an investment.

The analysis and selection process of corporate issuers is also accompanied by company stewardship activities.

These combined approaches can lead to select or reject potential investments. The methodology combines the pro-active development of ESG opportunities and the mitigation of ESG risks to create a positive impact on society.

Verification of the above mentioned ESG and sustainable factors on securities happens both prior to investment, and then on an ongoing basis. Issuers / companies which are classified as excluded may not be bought, and if existing issuers / companies are reclassified to this status, they must be divested as soon as reasonably practical (trading strategy subject to considerations of market impact and best execution).

When integrating ESG Factors and making investment decisions, the Principal Adverse Impacts of investment decisions on ESG Factors may be considered at the relevant Sub-Fund level as the case may be. The Management Company or the Investment Manager of a Sub-Fund, if any, may review the Principal Adverse Impacts on a company-specific basis including but not limited to greenhouse gas emissions performance, carbon emission water and waste management practices, social and employee fair treatment practices, human rights compliance and anti-corruption policies and controversies in the investee companies. If potentially harmful activities are identified, the Management Company or the Investment Manager of a Sub-Fund, if any, will evaluate their degree of significance in order to determine whether they might significantly harm a sustainable investment objective. Companies engaged in an activity constituting one or more Principal Adverse Impacts will be excluded. Reference is made to the Appendix of each Sub-Fund for further information relating to the consideration of the Principal Adverse Impacts for the relevant Sub-Fund.

The Management Company will publish and update on a yearly basis on its website a report combining ESG indicators showing the ESG performance and assess the ESG characteristics and Principal Adverse Impacts of the Management Company manages as the case may be.

You may consult the ESG and Sustainability Risk Policy, the Management Company Principal Impact Statement, the Discretionary Portfolio Management Principal Adverse Impact Statement, the Remuneration Policy, and the SFDR Article 10 Requirements of the Management Company with the following link – Section Sustainability-related disclosures: <https://www.lemanikgroup.com/corporate-governance/>

As at the date of this Prospectus, the Principal Adverse Impacts are not considered within the investment processes at the Sub-Fund level as the investment policies do not promote any environmental and/or social characteristics and there are risks of greenwashing and financial risks relating to greenwashing. The situation may however be reviewed going forward in relation to the will of the Shareholders and the fight against greenwashing in the asset management industry and the financial service providers.

Issuers / companies are excluded from the ESG investment framework when such ESG or Sustainable Risks are too high and improperly mitigated. Therefore, the assessment of the potential benefits compared against the risks of potential ESG or Sustainable Risks is analyzed to take comprehensive decisions. These approaches benefit both sustainability and returns. Indeed, building more resilient portfolios linked to ESG and Sustainable Investments shall normally create more stable and higher long-term returns.

### **Benchmark Regulation**

A relevant Sub-Fund may use benchmarks in the EU if the benchmark is provided by an administrator which is included in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. In such circumstances, the relevant Supplement will for such Sub-Fund provide further details on the benchmark.

## **5.2 Investment considerations**

Prospective investors should read this Prospectus carefully before deciding whether to purchase Shares in the Fund and should pay particular attention to the information under Appendix II – “*Risks of Investments*” and for each Sub-Fund under the relevant Supplement.

## **5.3 Global Exposure**

The Management Company monitors the exposure of each Sub-Fund to market, liquidity, operational and counterparty risk.

The Management Company will calculate the global exposure of each Sub-Fund by using the Value-at-Risk (“**VaR**”) methodology or the commitment approach depending on the assessment of the risk profile of the relevant Sub-Fund. The Fund has determined that the commitment approach is to be used to monitor

the global exposure of each Sub-Fund unless otherwise stated differently in the supplements for a particular Sub-Fund.

The commitment approach measures the global exposure related to positions on FDIs and other EPM Techniques to the extent required by applicable regulations. Unless otherwise stated with respect to a particular Sub-Fund, the global exposure may not exceed the total net value of the relevant Sub-Fund's portfolio. Limits are checked and controlled on a daily basis. The Management Company has an in-house built system that comprises several features regarding risk management, including market, liquidity, exposure and credit risk control.

The commitment conversion methodology (as detailed in the ESMA Guidelines 10-788) takes into account the market value of the equivalent position in the underlying asset of the FDI or the FDIs' notional value, as appropriate. This commitment conversion methodology allows in certain circumstances and in accordance with the provisions of the CSSF Circular 11/512 (i) the exclusion of certain types of non-leveraged swap transactions or certain risk free or leverage free transactions and (ii) the consideration of netting and hedging transactions to reduce the global exposure.

## **6. THE SHARES**

In accordance with the Articles, the Board of Directors may create within each Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund. A distinct fee structure, currency of denomination, dividend policy or other specific feature may apply and a separate Net Asset Value per Share will be calculated for each Class of Shares. The range of available Classes of Shares and their features are described in the relevant Supplement. However, the Board of Directors may decide that no such Classes of Shares will be available in any of the Sub-Funds or alternatively that such Class of Shares may only be purchased upon prior approval of the Board of Directors as more fully disclosed in the relevant Supplement for each individual Sub-Fund.

The net proceeds from the subscriptions received in respect of each Class of Shares of a Sub-Fund are invested in the specific portfolio of assets constituting the relevant Sub-Fund.

Subject to the restrictions described below, Shares are freely transferable and are each entitled to participate equally in the profits and liquidation proceeds attributable to the relevant Class of Shares. The rules governing such allocation are set forth below. The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights, and each one is entitled to one vote at all general meetings of Shareholders and at all meetings of the Sub-Fund in which Shares are held.

Shares redeemed by the Fund become null and void.

The Board of Directors may restrict or prevent the ownership of Shares by any person, firm or corporation, if such ownership may be against the interests of the Fund or of the majority of Shareholders or of any Sub-Fund or Classes of Shares therein. Where it appears that a person who should be precluded from holding Shares, either alone or in conjunction with any other person, is a beneficial owner of Shares, the Board of Directors may compulsorily redeem all Shares so owned in accordance with the provisions of the Articles.

The Board of Directors may, in its absolute discretion, delay the acceptance of any subscription for Shares of a Class of Shares restricted to Institutional Investors until such date as it has received sufficient evidence of the qualification of the investor as an Institutional Investor. If it appears at any time that a holder of a Class of Shares restricted to Institutional Investors is not an Institutional Investor, the Board of Directors will either redeem the relevant Shares in accordance with the provisions under "6.1.3 Redemption of Shares" within "6.1. Subscription, Redemption and Conversion of Shares" below, or convert such Shares into a Class of Shares that is not restricted to Institutional Investors (provided there exists such a Class of Shares with similar characteristics) and notify the relevant Shareholder of such conversion.

## **6.1. Subscription, Redemption and Conversion of Shares**

### **6.1.1 General Information**

#### **6.1.1.1 *Types of Shares***

Shares will be issued in registered form and will be non-certificated. Fractional entitlements to Shares will be rounded to two (2) decimal places.

The Board of Directors, at its absolute discretion, has the power to issue in certain Sub-Funds hedged Classes of Shares denominated in major international currencies (including but not limited to EUR, USD) different from the Reference Currency of the relevant Sub-Fund. The Board of Directors will, in such case, hedge the currency exposure of such Classes of Shares denominated in a currency other than the Reference Currency of the relevant Sub-Fund, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Class of Shares currency and the Reference Currency of the relevant Sub-Fund. However, it should be noted that under exceptional circumstances, including where it is reasonably expected that the cost of performing the hedge will be in excess of the benefit derived and therefore detrimental to Shareholders, the Board of Directors may decide not to hedge the currency exposure of such Class of Shares.

The costs associated with hedged Classes of Shares transactions (including transaction costs relating to the instruments and contracts used to implement the hedge) will be attributed to a specific Class of Shares and will be reflected in the Net Asset Value of that Class of Shares. An additional fee may be charged by the relevant Investment Manager to the relevant hedged Class of Shares for providing this currency hedging

service, part of which fee may be allocated to third parties. Investors will be informed accordingly. Investors are reminded that there is no segregation of liability between Class of Shares, so there is a remote risk that under certain circumstances, unhedged Class of Shares holders of the same Sub-Fund will be exposed to liabilities arising from currency hedging transactions undertaken for a hedged Class of Shares which negatively impacts the Net Asset Value of the unhedged Class of Shares.

#### **6.1.1.2 Subscription, Redemption and Conversion Requests**

Requests for subscription, redemption and conversion of Shares should be sent to the Registrar and Transfer Agent at the following address:

**Galloway Global Fund**  
**c/o Apex Fund Services S.A.**  
3, rue Gabriel Lippmann,  
L-5365 Munsbach,  
Grand Duchy of Luxembourg

E-mail – for trade orders: [dealing-lu@apexgroup.com](mailto:dealing-lu@apexgroup.com)

For questions related to trades: [dealinglux@apexgroup.com](mailto:dealinglux@apexgroup.com)

Applications for Shares of any available Class of Shares must be made using the Subscription Application Form which must be received by the Registrar and Transfer Agent by facsimile transmission or in the form of a pdf attached to an email to the number or e-mail address stated on the Subscription Application Form on such date and by such time as determined by the Board of Directors and set out in the relevant Supplement (the “**Cut-Off Time**”) and for the first subscription with the original of the Subscription Application Form thereof sent by post with the mention “*emailed on dd/mm/yy; avoid duplicate*” to be sent by post to the Registrar and Transfer Agent within the three (3) following Business Days. Failing so, the Fund may discretionarily cancel the relevant application. For subsequent subscription, the Subscription Application Form may only be sent by facsimile transmission or in the form of a pdf attached to an email to the number or e-mail address stated on the Subscription Application Form.

The Registrar and Transfer Agent accepts no responsibility for any loss caused as a result of non-receipt of any application sent by facsimile transmission or email. Any delay in receipt of a duly completed Subscription Application Form will result in the relevant application being processed on the next Subscription Day. Unless indicated otherwise specified in the relevant Supplement for any Sub-Fund, the contractual settlement date for the subscription will be the date no later than three (3) Business Days after the Subscription Day (the “**Settlement Date**”). If the Registrar and Transfer Agent or Paying Agents settlement systems in the local country are closed or not operational on the Settlement Date, settlement will be delayed until they are open and operating. Any day within the settlement period that is not a Valuation Day for a Sub-Fund will be excluded when determining the Settlement Date. Normally, Shares are issued upon acceptance of the Subscription Application Form on the condition that cleared funds are credited to the relevant subscription account (details of which are set out in the Subscription Application Form) on the

Settlement Date. Until cleared payment for the Share is received from the investor, the Shares are pledged for the benefit of the relevant Sub-Fund. During this period, voting rights and entitlements to dividend payments are suspended, and the investor cannot converse, redeem or transfer the Shares. If full payment by the investor for Shares does not arrive by the Settlement Date, or if prior the Settlement Date, the Fund, the Registrar and Transfer Agent or the Management Company become aware of any reasons why, in their opinion, that full and timely payment will not occur, Shares can be cancelled (redeemed) without prior notice to the investor at its own costs. Any net surplus, after costs incurred, that remains after such cancellation will be credited to relevant Sub-Fund. Any shortfall, including any costs and investment losses, that remains after such cancellation must be paid to the Fund by the investor upon written demand. The Fund may also, at any time and at its absolute discretion, enforce the Fund's rights in the Shares under the pledge, bring an action against the investor or deduct the costs or losses incurred by the relevant Sub-Fund from other existing holding of the investor in the Fund. In all cases any money returnable to the investor will be held by the Fund without payment of interest pending receipt of the remittance. If the redemption proceeds and any amounts effectively recovered from the investor are less than the subscription price, the difference will be borne by the investor. For any problem regarding the Subscription Application Form, the applicant should contact the Registrar and Transfer Agent at the address set forth in the Subscription Application Form or by telephone on +352 279199 99000 to ascertain the status of its subscription.

Unless otherwise specified in the relevant Supplement for any Sub-Fund, requests for subscriptions, redemptions and conversions from or to any Sub-Fund will be dealt with on the relevant Subscription Day or Redemption Day mentioned in the request for subscriptions, redemptions or conversions, provided they are received prior to the Cut-Off Time as set out in the relevant Supplement for any Sub-Fund. Requests received after such time will be accepted for the next Subscription Day or Redemption Day, as the case may be. As a result, requests for the subscription, redemption and conversion of Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value for that day.

The Board of Directors has the right to reject any request for the subscription or conversion of Shares from any investor engaging in market timing and/or late trading (as set out in section 6.1.2.2) or suspected of engaging in such practices and to take such further action as it may deem appropriate or necessary.

Subscription, redemption and conversion of Shares of a given Sub-Fund shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund is suspended by the Fund (see section "7.4.3 Temporary Suspension of the Calculation").

Unless otherwise provided by local law, any Shareholder holding Shares in a nominee account with the Registrar and Transfer Agent has the right to claim, at any time, direct title to such Shares.

Subscription monies may be paid by applicants for Shares in any Class of Shares in the relevant currency from an account in the name of the applicant. Subscription monies shall be remitted by telegraphic transfer

to the relevant subscription account specified for the relevant currency of payment in the Subscription Application Form. All bank collection or other charges imposed for such telegraphic transfer payments by an applicant shall be borne by and charged to that applicant.

Final confirmation of completed subscriptions, redemptions and conversions will normally be dispatched on the Business Day following finalisation of the relevant Net Asset Value per Share.

No redemption payments will be made until the original application form and relevant subscription monies have been received from the Shareholder and all the necessary anti-money laundering checks have been completed. Redemption proceeds will be paid into the account in the name of the Shareholder specified by the Shareholder in the original Subscription Application Form submitted (or such other replacement account in the name of the Shareholder as may be notified to, and accepted by, the Registrar and Transfer Agent). Any amendments to the Shareholder's registration or account details can only be effected upon receipt of original documentation.

#### **6.1.1.3 *Withdrawal of Requests for Subscription, Redemption and Conversion of Shares***

A Shareholder may withdraw a request for subscription, redemption or conversion of Shares in the event of a suspension of the determination of the Net Asset Value of the Shares and, in such event, a withdrawal will be effective only if written notification is received by the Board of Directors before the termination of the period of suspension. If the subscription, redemption or conversion request is not withdrawn, the Fund shall proceed to subscribe, redeem, or convert on the first applicable Valuation Day following the end of the suspension of the determination of the Net Asset Value of the Shares.

All other requests to withdraw a subscription, redemption or conversion request are at the sole discretion of the Board of Directors, and will only be considered if received before prior to the Cut-Off Time as set out in the relevant Supplement of any sub-fund.

#### **6.1.1.4 *Minimum Subscription and Holding Amounts and Eligibility for Shares***

The Board of Directors has set minimum initial and subsequent subscription amounts and minimum holding amounts for each Class of Shares, as detailed in the relevant Supplement.

The Board of Directors has the discretion, from time to time, to waive or reduce any applicable minimum subscription amounts.

Where a Shareholder of a given Class of Shares accumulates a holding of sufficient size to satisfy the minimum subscription requirements of a 'parallel Class of Shares' within that Sub-Fund with lower fees and expenses, the Shareholder may request that the Board of Directors, in its absolute discretion, convert the holding into Shares in the 'parallel Class of Shares'. A "parallel Class of Shares" within a Sub-Fund is one that is identical except for the minimum subscription amount and expenses applicable to it.

The right to redeem or convert Shares is subject to compliance with any conditions (including any minimum subscription or holding amounts and eligibility requirements) applicable to the Class of Shares from which the redemption or conversion is being made, and also the Class of Shares into which the conversion is to be effected (the “**New Share Class**”). In the case of a transfer of Shares, whilst there is no change in actual Class of Shares, the minimum subscription and holding amounts will apply to the investment of the existing and new Shareholder after the transfer.

The Board of Directors may also, at any time, decide to compulsorily redeem all Shares from Shareholders whose holding is less than the minimum holding amount specified in the relevant Supplement or who fail to satisfy any other applicable eligibility requirements set out above or stated in the relevant Supplement. In such case, the Shareholder concerned will receive one (1) month's prior notice so as to be able to increase its holding above such amount or otherwise satisfy the eligibility requirements.

Unless waived by the Board of Directors, if a redemption or conversion request would result in the amount remaining invested by a Shareholder falling below the minimum holding amount of that Class of Shares, such request will be treated as a request to redeem or convert, as appropriate, the Shareholder's total holding in that Class of Shares. If the request is to transfer Shares, then that request may be refused by the Board of Directors.

If, as a result of a conversion or transfer request, the value of a Shareholder's holding in the New Share Class of Shares would be less than the relevant minimum subscription amount, the Board of Directors may decide not to accept the request.

Shareholders are required to notify the Board of Directors immediately in the event that they are or become US Persons or hold Shares for the account or benefit of US Persons or hold Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the Shareholders or otherwise be detrimental to the interests of the Fund. If the Board of Directors becomes aware that a Shareholder is holding Shares in breach of any law or regulation or otherwise in circumstances having, or which may have, adverse regulatory, tax or fiscal consequences for the Fund or the Shareholders or would otherwise be detrimental to the interests of the Fund or that the Shareholder has become or is a US Person, the Board of Directors may, in its sole discretion, redeem the Shares of the Shareholder in accordance with the provisions of the Articles. Should a Shareholder become a US Person he/she/it may be subject to US withholding taxes and tax reporting.

Further information in relation to the subscription, redemption and conversion of Shares is set out below.

#### **6.1.1.5 Swing Pricing Mechanism**

Shareholders should note that the Net Asset Value per Share may be adjusted upwards or downwards to mitigate the effects of transaction costs and any spread between the buying and selling prices of the underlying assets attributable to net inflows and net outflows respectively, as further described in section 7.4.2 of this Prospectus.

#### **6.1.2 Subscription of Shares**

The Shares of each Sub-Fund may be subscribed for at the Registrar and Transfer Agent as indicated in the Subscription Application Form. Subscriptions are subject to acceptance by the Board of Directors in whole or in part at its sole discretion without liability.

The Subscription Price of the Shares in each Class of Shares, denominated in the Reference Currency of the Class of Shares indicated in the relevant Supplement, corresponds to the Net Asset Value of the relevant Class of Shares determined for the Valuation Day on which the Subscription Application Form has been accepted, calculated on the first Business Day following this Valuation Day, increased by any fees, charges as the case may be, as detailed for each Sub-Fund in the relevant Supplement. If a Placement Fee is applicable, it will be deducted from the subscription amount of Shares before investment to compensate selected financial intermediaries and other persons who assist in the placement of Shares.

In order to ensure that Subscription Application Forms are processed as of any Valuation Day, the Subscription Application Forms must be received by the Registrar and Transfer Agent together with the necessary identification documents required under the AML/CTF Laws and Regulations and other applicable regulations at the latest on or before the Cut-Off Time as set out in the relevant Supplement for any Sub-Fund. Investors should note that while receipt and acceptance by the Registrar and Transfer Agent of verification documents required under the AML/CTF Laws and Regulations are pending, transactions may be rejected or delayed. The Subscription Price, payable in the Reference Currency of the relevant Class of Shares, must be paid by the investor and received in cleared funds by the Registrar and Transfer Agent credited to the relevant subscription account of the Fund (details of which are set out in the Subscription Application Form) on or before the Settlement Date, as defined above. Subscription requests received and approved or deemed to be received and approved by the Registrar and Transfer Agent on a day which is not a Business Day or on a Business Day after the Cut-Off Time will be deemed to have been received on the next Business Day.

The Shares will be allotted at a price corresponding to the Net Asset Value per Share of the relevant Valuation Day. For Subscription Application Forms received by the Registrar and Transfer Agent and subscription amounts received by the Transfer Agent after the aforesaid dates, the Shares will be allotted at a price corresponding to the next Valuation Day. The Shares will be issued as of the Subscription Day. The Shares will be issued in registered form.

Applicants wishing to subscribe for Shares should complete a Subscription Application Form and send it to the Registrar and Transfer Agent with all required identification documents. Should such documents not be provided, the Registrar and Transfer Agent will request such information and documentation as it is necessary to verify the identity of an applicant. Shares will not be issued until such time as the Registrar and Transfer Agent or other banks, sub-distributors and financial institutions authorized to that end have received and are satisfied with all the information and documentation requested to verify the identity of the applicant. Failure to provide such documentation or information may result in a delay of the subscription process or a cancellation of the subscription request.

In addition to the Subscription Price, taxes and stamp duties may need to be paid by Shareholders in certain countries where the Shares are offered.

The Subscription Price, payable in the Reference Currency of the relevant Class of Shares must be paid to the account of the relevant Sub-Fund as specified for each Sub-Fund in the relevant Subscription Application Form. If timely settlement is not made, the application for Shares may be deemed null and void and Shares previously allotted may be cancelled. If a Placement Fee is applicable, it will be deducted from the subscription amount of Shares before investment.

The relevant confirmations of the registration of the Shares are delivered by the Registrar and Transfer Agent as soon as reasonably practicable and normally within three (3) Business Days following the relevant Subscription Day. Subscribers should always check this confirmation to ensure that the registration has been accurately recorded. This will also include a personal account number which, together with the Shareholder's personal details, is proof of its identity to the Fund. The personal account number should be used by the Shareholder for all future dealings with the Fund, a sub-custodians of the Depositary, the Administrative Agent, the Registrar and Transfer Agent, the Global Distributor and any Distributor.

Any changes to the Shareholder's personal details or loss of account number must be notified immediately either to the Registrar and Transfer Agent, the Global Distributor or to the relevant Distributor, who will, if necessary, inform the Registrar and Transfer Agent in writing. Failure to do so may result in the delay of an application for subscription, redemption or conversion.

If any subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be, subject to applicable laws, returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest, subject to the section 6.1.1.2 above.

The Board of Directors may at any time, at its sole discretion, temporarily suspend, definitely cease or limit the issue of Shares to persons or companies who reside or are domiciled in certain countries and territories

or exclude them from subscribing to Shares, if such measure is considered appropriate to protect the Shareholders or the Fund.

The minimum initial subscription amounts for each Sub-Fund (or, if more than one Class of Shares has been issued in a Sub-Fund, for each Class of Shares) are specified in the relevant Supplement. The Board of Directors may set different levels for minimum investments or minimum transactions for investors in certain countries for investment in different categories of each Sub-Fund, if the Directors decide to introduce this facility, as further specified in the relevant Supplement.

For the same reasons, but always in accordance with the Articles, the Directors may provide for specific payment arrangements for investors in certain countries. In both cases an adequate description will be made available to investors in the relevant countries together with the Prospectus.

Shareholders are informed that their personal data or the information given in the subscription documents or otherwise in connection with an application to subscribe for Shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the relevant provisions of the Luxembourg law. Investors should refer to section 7.10 on Data Protection of the Prospectus.

By the subscription or purchase of Shares, the Shareholders agree by their subscription to or purchase of Shares that their telephone conversations with the Investment Manager, the Investment Advisor, the Management Company, the Global Distributor, the Distributors, the Administrative Agent, the Registrar and Transfer Agent, the Domiciliary Agent or other Fund service providers may be recorded. In particular, the Fund or the Registrar and Transfer Agent may use telephone-recording procedures to record orders or instructions relating to transactions in Shares. By giving any instructions or orders by telephone, the investor is deemed to consent to the use of these tape recordings in legal proceedings.

### **Prohibited Investors**

The Subscription Application Form requires each prospective investors to represent and warrant to the Fund that, among other things, it is not an Prohibited Investor.

In particular, the Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws.

#### **6.1.2.1 Contribution in Kind**

The Board of Directors may from time to time accept subscriptions for Shares against a contribution in kind of securities or other assets that could be acquired by the relevant Sub-Fund pursuant to its investment policy and restrictions. Any such contribution in kind will be valued in an Auditor's report drawn up in accordance with the requirements of Luxembourg law, except where such Auditor report was waived in the

cases permitted by the Luxembourg law. All supplemental costs associated with contributions in kind will be borne by the Shareholder making the contribution in kind or such other party as agreed by the Board of Directors.

For the avoidance of doubt, convertible debt instruments shall be assimilated to a contribution in cash by compensation of a receivable held by the holder of the debt instrument against the Fund and therefore the issuance of such instruments shall not require an independent auditor valuation report.

#### **6.1.2.2 *Market Timing and Late Trading***

The Fund does not permit market timing and late trading (as set out in the CSSF Circular 04/146) or related excessive, short-term trading practices.

#### **6.1.2.3 *Anti-Money Laundering Procedures***

The Luxembourg law of 12 November 2004 as amended from time to time and associated circulars of the Luxembourg Regulatory Authority, outline obligations to prevent the use of UCI, such as the Fund, for money laundering purposes.

Within this context the Board of Directors, the Fund, the Management Company, the Administrative Agent, the Registrar and Transfer Agent, the Depositary Bank, the Investment Manager, the Investment Advisor, the Global Distributor, any Distributor and their officers are subject to the provisions of legislation and regulations currently in force in Luxembourg, notably the 2004 Law, the Grand Ducal Regulation of 1 February 2010 providing details on certain provisions of the 2004 Law, the CSSF Regulation 12/02, the CSSF Circular 15/609 and, where appropriate, to the provisions of similar legislation in force in any other relevant country. Potential new investors in the Fund may be required to furnish independent documentary evidence of their identity, a permanent address and information relating to the source of the monies to be invested. Failure to provide such information or documentation in a timely manner could result in delay in the allotment of Shares, or in a refusal to allot Shares. If a Distributor or its agents are not subject to anti-money laundering and anti-terrorist financing regulations, the necessary control will be carried out by the Registrar and Transfer Agent.

Such information provided to the Board of Directors and/or the Registrar and Transfer Agent will be held and used in accordance with Luxembourg privacy laws.

In accordance with article 3-2 of the 2004 Law and article 3 of the CSSF Regulation n°12/02, where the Shares are subscribed through an intermediary acting on behalf of "others", the Fund, the Management Company, the Registrar and Transfer Agent, and any distributor and their officers shall put in place enhanced due diligence measures for this intermediary in order to ensure that all the obligations under the applicable laws are complied with. Such enhanced due diligence measures are carried out following an appropriate risk-based approach.

In all cases the Board of Directors and/or the Registrar and Transfer Agent reserves the right to request additional information and documentation including translations, certifications and updated versions of such documents to satisfy itself that the identification requirements under Luxembourg law have been fulfilled.

### **6.1.3 Redemption of Shares**

The Shareholders may at any time redeem Shares of the Fund by addressing to the Registrar and Transfer Agent an irrevocable application for redemption (in whole or in part) in the form of a Redemption Request. The Redemption Request may be sent to the Registrar and Transfer Agent by facsimile transmission or in the form of a PDF attached to an email to the number or e-mail address stated on the Redemption Request form.

The Redemption Price of Shares in a Class of Shares (in the applicable Reference Currency) corresponds to the Net Asset Value of the relevant Class of Shares determined on the Valuation Day mentioned in the Redemption Request by the Registrar and Transfer Agent less any applicable fees, as the case may be (the “**Redemption Price**”), provided that such Redemption Request is received on or before the Cut-Off Time as set out in the relevant Supplement for any Sub-Fund.

All Shares are redeemable at the option of the Shareholders on each Redemption Day. Redemption Requests must be received by the Registrar and Transfer Agent on or before the Cut-Off Time as set out in the relevant Supplement for any Sub-Fund (failing which the Redemption Request will be held over until the next following Redemption Day and Shares will be redeemed at the price applicable on that Redemption Day). Redemption Requests received or deemed to be received by the Registrar and Transfer Agent on a day which is not a Business Day or on a Business Day after the Cut-Off Time will be deemed to have been received on the next Redemption Day.

The Registrar and Transfer Agent accepts no responsibility for any loss caused as a result of non-receipt of any Redemption Request sent by facsimile transmission or email. The Registrar and Transfer Agent will endeavour to confirm receipt of a Redemption Request by written acknowledgment to the Shareholder within three (3) Business Days of actual receipt by the Registrar and Transfer Agent of the Redemption Request submitted in good order by facsimile or email. If the Shareholder fails to receive such written acknowledgement from the Registrar and Transfer Agent within three (3) Business Days of submitting such Redemption Request by facsimile or email, the Shareholder should contact the Registrar and Transfer Agent at the address set forth in the Redemption Request form or by telephone on +352 279199 99000 to ascertain the status of its redemption, as it cannot assume its successful redemption until it receives such written acknowledgement from the Registrar and Transfer Agent.

The redemption proceeds will normally be paid out within five (5) Business Days following the Valuation Day on which Shares are redeemed, unless otherwise provided in the relevant Supplement.

If, for any reason, the value of the holdings of a single Shareholder in Shares of a particular Sub-Fund (or, if more than one Class of Shares have been issued in a Sub-Fund, of that Class of Shares) falls below the amount specified for each Sub-Fund in the relevant Supplement, then the Shareholder will at the discretion of the Fund be deemed to have requested the redemption of all of his/her/its Shares of that Sub-Fund (or, if applicable, of that Class of Shares).

As detailed in the relevant Supplement for each Sub-Fund, a Redemption Fee may be charged.

On payment of the Redemption Price, the corresponding Shares will be cancelled immediately in the Fund's share register. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are redeemed will be charged.

**The Redemption Price may be higher or lower than the Subscription Price paid at the date of issue of the Shares in accordance with changes in *inter alia* a Sub-Fund's Net Asset Value.**

A confirmation statement will be sent to the relevant Shareholder (or third party as requested by the Shareholder), detailing the redemption proceeds due as soon as reasonably practicable after the Redemption Price has been determined. Shareholders should check this statement to ensure that the transaction has been accurately recorded.

Payment for Shares redeemed will be effected in the Reference Currency of the relevant Class of Shares after the relevant Redemption Day, unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary Bank or otherwise, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted.

If necessary, the Registrar and Transfer Agent will arrange the currency transaction required for the conversion of the redemption monies from the Reference Currency of the relevant Class of Shares into the relevant redemption currency. Such currency transaction will be effected with the Depositary Bank, if any, at the redeeming Shareholder's cost and risk.

The redemption of the Shares may be suspended by decision of the Board of Directors, in the cases mentioned under section 7.4.3 "Temporary Suspension of the Calculation" or by decision of the CSSF when required in the interest of the public or of the Shareholders and, in particular, when the legal, regulatory or contractual provisions concerning the activity of the Fund have not been complied with.

No third party payments will be made.

If the Fund discovers at any time that a person, who is precluded from holding Shares in the Fund, such as a U.S. Person or a non-institutional investor (if applicable), either alone or in conjunction with any other person, whether directly or indirectly, is a beneficial or registered owner of Shares, the Fund may at its discretion and without liability, compulsorily redeem the Shares at the Redemption Price as described above after giving notice, and upon redemption, the person who is precluded from holding Shares in the Fund will cease to be the owner of those Shares. The Fund may require any Shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a person who is precluded from holding Shares in the Fund.

Only if and to the extent expressly disclosed within the relevant Supplement, but not further or otherwise, if, with respect to any given Redemption Day, Redemption Requests pursuant to this section and conversion requests exceed a certain level determined by the Board of Directors in relation to the number of Shares in issue in a specific Class of Shares, the Board of Directors may decide that part or all of such requests for redemption or conversion will be deferred for a period and in a manner that the Board of Directors considers to be in the best interest of the relevant Sub-Fund. Following that period, with respect to the next relevant Redemption Day, these redemption and conversion requests will be met in priority to later requests.

#### **6.1.3.1 Redemption in Kind**

The Board of Directors may, at the request of a Shareholder or upon its proposal with the written consent of the Shareholder, and at its discretion agree to make, in whole or in part, a distribution in kind of securities of the relevant Sub-Fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The Board of Directors may agree to do so if they determine that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Sub-Fund. Such redemption will be effected at the Net Asset Value per Share of the relevant Class of Shares of the Sub-Fund which the Shareholder is redeeming, and thus will constitute a pro rata portion of the Sub-Fund's assets attributable in that Class of Shares in terms of value. The assets to be transferred to such Shareholder shall be determined with regard to the practicality of transferring the assets and to the interests of the Sub-Fund and continuing participants therein and to the Shareholder. Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. The net proceeds from this sale by the redeeming Shareholder of such securities may be more or less than the corresponding Redemption Price of Shares in the relevant Sub-Fund due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the Net Asset Value of Shares of the Sub-Fund. The selection, valuation and transfer of assets shall be subject to the review and approval of the Auditor of the Fund, except if such review and approval is waived where permitted by Luxembourg law. All supplemental costs associated with redemptions in kind will be borne by the Shareholder requesting the redemption in kind or such other party as agreed by the Board of Directors.

For the avoidance of doubt, convertible debt instruments shall be assimilated to a redemption in cash therefore an independent auditor valuation report shall not be required.

#### **6.1.4 Conversion of Shares**

Unless otherwise determined in the relevant Supplement, any Shareholder is entitled to request the conversion of whole or part of his/her/its Shares of one Class of Shares into Shares of another Class of Shares, within the same Sub-Fund or from one Sub-Fund to another Sub-Fund subject to such restrictions as to the terms and conditions as determined by the Board of Directors from time to time in the relevant Supplement. The price for the conversion of Shares from one Class of Shares into another Class of Shares shall be computed by reference to the respective Net Asset Value of the two (2) Classes of Shares, calculated on the same Valuation Day.

Applications for conversions must be received by the Registrar and Transfer Agent on or before the Cut-Off Time as set out in the relevant Supplement for any Sub-Fund. Applications received after that time will be processed on the next Valuation Day. The settlement date applied to the conversion will be the same as that applied to redemptions. In converting Shares of a Class of Shares for Shares of another Class of Shares, a Shareholder must meet applicable minimum investment requirements as well as any other conditions imposed by the acquired Class of Shares.

If as a result of any request for conversion made through the conversion application form, the number or the aggregate Net Asset Value of the Shares held by any Shareholder in any Class of Shares should fall below the minimum investment set out in the relevant Supplement, the Board of Directors may refuse to convert the Shares from one Class of Shares to another Class of Shares.

The Shares, which have been converted into Shares of another Class of Shares or/and of another Sub-Fund, shall be cancelled on the relevant Subscription Day.

A conversion fee may result from the conversion of Shares from a Class of Shares to another and/or from a Sub-Fund to another, as further disclosed for the relevant Sub-Fund in the relevant section Supplement.

#### **6.2. Listing of Shares**

At the discretion of the Board of Directors, Classes of Shares of the Sub-Funds may be listed for reporting on the regulated market of the Luxembourg Stock Exchange and/or on any other stock exchange from time to time upon a decision of the Board of Directors, pursuant to the terms and conditions set forth in the relevant Supplement. The Net Asset Value per Share shall in such case be published on the Luxembourg Stock Exchange Website and/or the website of the Fund and/or in data services such as Reuters,

Bloomberg, Lipper, Morningstar and/or Telekurs. For so long as the Shares of any Sub-Fund are listed on the Luxembourg Stock Exchange, the Fund shall comply with the requirements of the Luxembourg Stock Exchange relating to those Shares.

### **6.3. Transfer of Shares**

A Shareholder may request the transfer of part or all of his/her/its Shares to another person. The transfer may only be processed provided the Fund is satisfied that the transferor and the transferee fulfil all the requirements applicable to redemption and subscription of Shares. Appropriate charges for such transfers may be levied, as further described in the relevant Supplement. Nevertheless, the consent of the Fund shall be provided within a period of maximum 12 months from the date of the transfer request. Such consent should however not be unreasonably delayed where the Shares are transferred to existing investors.

The transfer of Shares may normally be effected by delivery to the relevant Registrar and Transfer Agent of an instrument of transfer in appropriate form. On the receipt of the transfer request, and after reviewing the endorsement(s), signature(s) may be required to be certified by an approved bank, stock broker or public notary.

The right to transfer Shares is subject to the minimum investment and holding requirements as further disclosed for each Sub-Fund in the relevant Supplement.

Shareholders are advised to contact the relevant Registrar and Transfer Agent prior to requesting a transfer to ensure that they have the correct documentation for the transaction.

## **7. GENERAL INFORMATION**

### **7.1 Meetings**

The annual general meeting of Shareholders (the “**Annual Meeting**”) will be held in Luxembourg on a Business Day within six months since the end of the financial year.

In accordance with Luxembourg law, notices of all general meetings will be sent to the holders of registered Shares at least eight (8) calendar days prior to the meeting by registered letter at their addresses shown in the register of Shareholders or any means of communication accepted by the Shareholder such as express mail or email. Such notices will include the agenda and will specify the time and place of the meeting and the conditions of admission. They will also refer to the rules of quorum and majorities required by Luxembourg law and laid down in Articles 450-1 and 450-3 of the 1915 Law and in the Articles.

The Shareholders' presence shall be recorded on an attendance list that shall be mandatory for each Shareholders' meeting.

All documents pertaining to the general meeting shall be made available for Shareholders at the registered office of the Fund eight (8) calendar days prior to the meeting.

Each Shareholder is entitled, upon request and against proof of his/her/its title, eight (8) days before the general meeting to obtain free of charge a copy of the annual accounts, the report of the authorised independent auditor, the management report and the observations of the Board of Directors.

Each whole Share confers the right to one (1) vote. The vote on the payment of a dividend (if any) on a particular Sub-Fund or Class of Shares requires a separate majority vote from the meeting of Shareholders of the Sub-Fund or Class of Shares concerned. A Shareholder may individually decide not to exercise, temporarily or permanently, all or part of his/her/its voting rights. The Shareholder is bound by such waiver and the waiver is mandatory for the Fund upon its notification to the Fund.

Shareholders may enter, from time to time, into agreements regarding their voting rights, provided that such voting arrangements are compliant with the provisions of the 1915 Law.

Any change in the Articles affecting the rights of a Sub-Fund or Class of Shares must be approved by a resolution of both the general meeting of the Fund and the Shareholders of the Sub-Fund or Class of Shares concerned.

If the Articles are amended, such amendments shall be filed with the RCS and published in the RESA.

## **7.2 Reports and Accounts**

Audited annual reports shall be published within four (4) months following the end of the accounting year and unaudited semi-annual reports shall be published within two (2) months following the period to which they refer. Such reports will also be sent to the CSSF. The latest published annual and semi-annual reports shall be made available at the registered offices of the Management Company during ordinary office hours and must be provided in any case to investors on request and free of charge.

The total net assets of the Fund will be equal to the difference between the gross assets and the liabilities of the Fund, as described hereafter, based on consolidated accounts prepared in accordance with IFRS.

The accounting year of the Fund commences on 1 January of each year and terminates on 31 December of each year.

The reference currency of the Fund is the USD. The aforesaid reports will comprise consolidated accounts of the Fund expressed in the USD as well as individual information on each Sub-Fund expressed in the Reference Currency of each Sub-Fund.

### **7.3 Allocation of assets and liabilities among the Sub-Funds**

For the purpose of allocating the assets and liabilities between the Sub-Funds, the Board of Directors has established a pool of assets for each Sub-Fund in the following manner:

- a) the proceeds from the issue of each Share of each Sub-Fund are to be applied in the books of the Fund to the pool of assets established for that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto are applied to such pool subject to the provisions set forth hereafter;
- b) where any asset is derived from another asset, such derivative asset is applied in the books of the Fund to the same pool as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value is applied to the relevant pool;
- c) where the Fund incurs a liability which relates to any asset of a particular pool or to any action taken in connection with an asset of a particular pool, such liability is allocated to the relevant pool;
- d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability is allocated to all the pools in equal parts or, if the amounts so justify, pro rata to the Net Asset Value of the relevant Sub-Funds;
- e) upon the payment of dividends to the holders of Shares in any Sub-Fund, the Net Asset Value of such Sub-Fund shall be reduced by the amount of such dividends.

Should different Classes of Shares have been created within each Sub-Fund, the rules shall apply *mutatis mutandis* for the allocation of assets and liabilities amongst the Classes of Shares.

### **7.4 Determination of the Net Asset Value of Shares**

#### **7.4.1 Calculation and Publication**

The calculation of the Net Asset Value per Share of each Class of Shares within each Sub-Fund will be carried out by the Administrative Agent, subject to the supervision of the Management Company, in accordance with the requirements of the Articles. The Net Asset Value per Share of each Class of Shares within each Sub-Fund shall be expressed in the Reference Currency of each Class of Shares within each Sub-Fund, to the nearest two (2) decimal places, and shall be determined for each Sub-Fund on the relevant Valuation Day, by dividing the net assets of the Sub-Fund attributable to Shares in such Class of Shares within such Sub-Fund (being the value of the portion of assets less the portion of liabilities attributable to such Class of Shares within such Sub-Fund, on any such Valuation Day) by the number of Shares of the relevant Class of Shares within the relevant Sub-Fund then outstanding, in accordance with the valuation

rules set forth below. If, since the time of determination of the Net Asset Value, there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Class of Shares within 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 is determined by the Administrative Agent as follows:

- a. The value of any cash on hand or in deposits, bills, demand notes and accounts receivables, prepaid expenses, dividends and interests matured but not yet received shall be valued at the par-value of the assets except however if it appears that such value is unlikely to be received. In such a case, subject to the approval of the Board of Directors, the value shall be determined by deducting a certain amount to reflect the true value of these assets;
- b. The value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets;
- c. The value of assets dealt in on any Other Regulated Market is based on the last available price;
- d. In the event that any assets are not listed or dealt in on any stock exchange or on any Other Regulated Market, or if, with respect to assets listed or dealt in on any stock exchange, or Other Regulated Market as aforesaid, the price as determined pursuant to sub-paragraph (a) or (b) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors;
- e. The market value of forward or 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 market value of futures 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 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. Interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve;
- f. The value of Money Market Instruments not listed or dealt in on any stock exchange or any Other Regulated Market and with remaining maturity of less than twelve (12) months and of more than ninety (90) calendar days is deemed to be the market value thereof, increased by any interest accrued thereon. Money Market Instruments with a remaining maturity of ninety (90) calendar days or less will be valued by the amortized cost method, which approximates market value;
- g. Units or shares of open-ended UCI will be valued at their last determined and available net asset value or, if such price is not representative of the fair market value of such assets, then the price

shall be determined by the Board of Directors on a fair and equitable basis. Units or shares of a closed-ended UCI will be valued at their last available stock market value;

- h. All other securities and other assets will be valued at fair market value, as determined in good faith pursuant to procedures established by the Board of Directors.

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

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

The Board of Directors and the Management Company may at their discretion permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good practice.

The Administrative Agent shall, and shall be entitled to, conclusively rely upon, without further inquiry, investigation or verification, upon information, investment valuations, reports, financial data and communications received by the Administrative Agent from any source, including the Fund, the Board of the Directors, the Management Company, the Investment Manager, the Depositary Bank, or any prime broker(s), sub-custodian(s) of the Depositary Bank, independent pricing vendors or other person, firm or corporation whatsoever (as applicable), and the Administrative Agent shall not be liable for any loss suffered by the Fund, its Sub-Funds, the Board of the Directors, the Management Company, the Investment Manager, the Investment Advisor, any Shareholder or any other person by reason of any error in such calculations by the Administrative Agent resulting from any inaccuracy in any such information, investment valuations, reports, financial data and communications. The Administrative Agent may also use and rely on industry standard financial models in pricing any of the Fund's or Sub-Funds' securities or other assets. If and to the extent that the Investment Manager, the Board of Directors or the Management Company are responsible for or otherwise involved in the pricing of any of the Fund's or Sub-Funds' securities or other assets, the Administrative Agent may accept, use and rely on such prices in determining the Net Asset Value of the Fund and the Net Asset Value per Share of each Class of Shares within each Sub-Fund and shall not be liable to the Fund, the Sub-Funds, any Shareholder, the Board of Directors, the Management Company, the Investment Manager or any other person in so doing.

#### **7.4.2 Net Asset Value Adjustment (or the "Swing Pricing Mechanism")**

If on any Valuation Day, the aggregate transaction in Shares result in a net increase or decrease of Shares which exceeds a threshold of 2% of the Net Asset Value, the Net Asset Value per Share may be adjusted upwards or downwards to mitigate the effect of transaction costs attributable to net inflows and net outflows respectively, in order to reduce the effect of “dilution” on the relevant Sub-Fund.

The net inflows and net outflows will be determined by the Administrative Agent based on the latest available information at the time of calculation of the Net Asset Value. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Sub-Fund, deviates from the carrying value of these assets in the Sub-Fund’s valuation due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets. Dilution may have an adverse effect on the value of the Sub-Fund and therefore impact the Shareholders.

Typically, such adjustment will increase the NAV per Share when there are net inflows into the Sub-Fund and decrease the Net Asset Value per Share when there are net outflows. As this adjustment is related to the inflows and outflows of money from the Sub-Fund, it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the Fund will need to make such adjustments.

The swing pricing mechanism may be applied across all Sub-Funds. Where the Management Company with the Board of Directors, based on the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant Sub-Fund, have determined for a particular Sub-Fund to apply an alternative Net Asset Value calculation method, the Sub-Fund may be valued either on a bid or offer basis.

Such adjustment may vary from Sub-Fund to Sub-Fund and, based on normal dealing and other costs for the particular assets in which a Sub-Fund is invested, will not exceed 2% of the original Net Asset Value per Share. However, under exceptional market conditions (such as high market volatility), the adjustment applicable to a specific Sub-Fund may, on a temporary basis and at the discretion of the Board of Directors (taking into account the best interest of the Shareholders) and upon prior Shareholder’s notification, exceed 2% of the original NAV per Share. The adjustment of the NAV per Share will apply equally to each Class of Shares in a specific Sub-Fund. The Board of Directors with the Management Company reserve the right to increase the threshold to 5% of the original NAV in exceptional circumstances. In such case, a notice will be sent to the shareholders of the relevant Sub-Fund.

The swing pricing mechanism is based on a daily subscription/redemption threshold per Sub-Fund. However, where trends are identified or anticipated, a non-threshold based approach may be utilised in order to protect existing Shareholders against any adverse cumulative impact whereby the swing pricing mechanism would be applied over a period of time even though the daily threshold may not be exceeded every single day. For the avoidance of doubt, the swing pricing mechanism is applied on the capital activity

at the level of the Sub-Fund and does not address the specific circumstances of each individual investor transaction.

Shareholders are advised that the volatility of the Sub-Funds' NAV might not reflect the true portfolio performance as a consequence of the application of swing pricing.

Further information in relation to swing pricing is available upon request from the Management Company.

#### **7.4.3 Temporary Suspension of the Calculation**

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

- a. During any period when any of the principal stock exchanges, Regulated Markets on which a substantial plan of the Fund's investments attributable to such Sub-Fund is quoted, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Sub-Fund is denominated, are closed otherwise than for ordinary holidays or during which dealings are substantially restricted or suspended; or
- b. When political, economic, military, monetary, sanitary or other emergency events beyond the control, liability and influence of the Fund make the disposal of the assets of any Sub-Fund impossible under normal conditions or such disposal would be detrimental to the interests of the Shareholders; or
- c. During any breakdown in the means of communication network or data processing facility normally employed in determining the price or value of any of the relevant Sub-Fund's investments or the current price or value on any market or stock exchange in respect of the assets attributable to such Sub-Fund; or
- d. During any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of such Sub-Fund or during which any transfer of funds involved in the realization 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
- e. During any period when, for any other reason, the prices of any investments owned by the Fund cannot promptly or accurately be ascertained; or
- f. During any period when the Board of Directors so decides, provided all Shareholders are treated on an equal footing and all relevant laws and regulations are applied, *i.e.* (i) as soon as an extraordinary general meeting of Shareholders of the Fund or a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the Fund or a Sub-Fund and (ii) when the Board of Directors is empowered to decide on this matter, upon its decision to liquidate or dissolve a Sub-Fund; or
- g. Whenever exchange or capital movements' restrictions prevent the execution of transactions on behalf of the Fund; or

- h. When exceptional circumstances might adversely affect Shareholders' interests or in the case that significant requests for subscription, redemption or conversion are received, the Board of Directors reserves the right to set the value of Shares in one or more Sub-Funds only after having sold the necessary securities, as soon as possible on behalf of the Sub-Fund(s) concerned. In this case, subscriptions, redemptions and conversions that are simultaneously in the process of execution will be treated on the basis of a single Net Asset Value in order to ensure that all Shareholders having presented requests for subscription, redemption or conversion are treated equally.

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

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

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

#### **7.4.4 Calculation of Subscription Prices**

The Subscription Price per Share of each Class of Shares is calculated by adding expenses, costs, fees, if any, to the Net Asset Value per Share

### **7.5 Merger or Liquidation of Sub-Funds**

In the event that for any reason the value of the net assets of any Sub-Fund concerned has decreased to an amount determined by the Board of Directors to be the minimum level for such Sub-Fund to be operated in an economically efficient manner, and/or if a change in the economic or political situation relating to the Sub-Fund concerned would justify such liquidation, the Board of Directors may decide to compulsorily redeem all the Shares of the Sub-Fund concerned at the Net Asset Value per Share (taking into account actual realization prices of investments and realization expenses), calculated at the valuation point at which such decision shall take effect. The decision to liquidate will be published by the Fund prior to the effective date of the liquidation and the publication will indicate the reasons for, and the procedures of, the liquidation operations. Unless the Board of Directors otherwise decides in the interests of, or to keep equal treatment between the Shareholders, the Shareholders of the Sub-Fund concerned may continue to request redemption or conversion of their Shares free of charge. Assets which are not distributed upon the close of the liquidation of the Sub-Fund will be transferred to the *Caisse de Consignation* on behalf of those entitled

within the delays prescribed by Luxembourg laws and regulations and shall be forfeited in accordance with Luxembourg law. The liquidation shall normally take place within nine (9) months from the decision of the Board of Directors to liquidate the Sub-Fund.

Under the same circumstances as provided above, the Board of Directors may decide to close down any Sub-Fund or Class of Shares by merger into another Sub-Fund (the “**New Sub-Fund**”), a New Share Class or Luxembourg or foreign domiciled UCITS. In addition, such merger may be decided by the Board of Directors if required by the interests of the Shareholders of any of the Sub-Funds or Classes of Shares concerned. Such decision will be published in the same manner as described in the preceding paragraph and, in addition, the publication will contain information in relation to the new Sub-Fund, Class of Shares or UCI. Such publication will be made within one (1) month before the date on which the merger becomes effective in order to enable Shareholders to request redemption of their Shares, free of charge, before the operation involving contribution into the new Sub-Fund, Class of Shares or UCI becomes effective.

If the merger is to be implemented with a Luxembourg UCI of the contractual type (“*fonds commun de placement*”), Shareholders who have not voted in favour of such merger will be considered as having requested the redemption of their Shares, except if they have given written instructions to the contrary to the Fund. The assets which may not or are unable to be distributed to such Shareholders for whatever reason will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

Under the terms of the 2010 Law, the Fund or the relevant Sub-Fund thereof may be involved in cross-border mergers with merging or receiving UCITS established in other Member States. The 2010 Law describes the procedure applicable to cross-border mergers, including provisions on the prior authorization of the merger by the Luxembourg regulatory authority (if the Fund or the relevant Sub-Fund is the merging UCITS) or the competent authorities of any other Member State where the merging UCITS is established

Apart from exceptional circumstances, no subscriptions will be accepted after publication / notification of a merger or liquidation.

## **7.6 Liquidation of the Fund**

The Fund is incorporated for an unlimited period and liquidation shall normally be decided upon by an extraordinary general meeting of Shareholders subject to the quorum and majority requirements applicable for amendments to the Articles.

If the net assets of the Fund falls below two thirds (2/3) of the legal minimum share capital, *i.e.* one million two hundred and fifty thousand Euros (EUR 1,250,000), the Board of Directors shall submit the question of the dissolution of the Fund to a general meeting for which no quorum shall be prescribed and which shall decide by simple majority of the Shares represented at the meeting.

If the net assets of the Fund falls below one quarter (1/4) of the legal minimum share capital, the Board of Directors shall submit the question of the dissolution of the Fund to a general meeting for which no quorum shall be prescribed; dissolution may be resolved by Shareholders holding one quarter (1/4) of the Shares at the meeting.

The meeting shall be convened so that it is held within a period of forty (40) calendar days as from the ascertainment that the net assets have fallen below two thirds (2/3) or one fourth (1/4) of the legal minimum share capital, as the case may be.

Should the Fund be liquidated, such liquidation shall be carried out in accordance with the provisions of the 2010 Law which specifies the steps to be taken to enable Shareholders to participate in the liquidation distributions and in this connection provides for deposit in escrow at the *Caisse de Consignation* in Luxembourg of any such amounts which it has not been possible to distribute to the Shareholders at the close of liquidation. Amounts not claimed within the prescribed period are liable to be forfeited in accordance with the provisions of Luxembourg law. The net liquidation proceeds of each Sub-Fund shall be distributed to the Shareholders of each Class of Shares of the relevant Sub-Fund in proportion to their respective holdings of such Class of Shares.

The liquidation shall take place within nine (9) months from the decisions of the Boards of Directors to liquidate the Fund.

## **7.7 Conflicts of Interest**

Prospective investors should note that the members of the Board of Directors, the Management Company, the Administrative Agent, the Registrar and Transfer Agent, the Domiciliary Agent, the Depositary Bank, the Investment Advisor and the Investment Manager and possibly other parties may be subject to various conflicts of interest in their relationships with the Fund.

The Board of Directors and the Management Company shall act exclusively in the best interest of the Fund. The Depositary Bank, in carrying out its role as depositary bank of the Fund, must act solely in the interest of the Shareholders.

Any Director who serves as a director, officer or employee of the Management Company shall, by reason of such affiliation with the Management Company, be prevented from considering and voting or acting upon any matters with respect to the Management Company itself and in particular in respect of its revocation as management company of the Fund.

Should you wish to receive more information on the conflicts of interest policy please contact Mr. Nathan Shor Gliksman at [nathan.shor@galloway.com.br](mailto:nathan.shor@galloway.com.br).

## **7.8 Material Contracts**

The following material contracts / agreements have been or shall be entered into:

(a) A Management Company Services Agreement effective from the re-domiciliation in Luxembourg of the Fund between the Fund and the Management Company pursuant to which the latter acts as the management company of the Fund. Under this Management Company Services Agreement, the Management Company provides management, administrative, domiciliary, marketing, global distribution and risk management services to the Fund, subject to the overall supervision and control of the Board of Directors.

(b) An Investment Management Agreement effective from the re-domiciliation in Luxembourg of the Fund between the Management Company and Galloway Capital Gestora De Recursos Ltda. in the presence of the Fund pursuant to which Galloway Capital Gestora De Recursos Ltda. acts as Investment Manager to the Fund. The name of the Investment Manager was Quasar International Gestora De Recursos Ltda before its change of name effective on March 29<sup>th</sup>, 2023. The Management Company and the Investment Manager have entered into a side letter in relation to such change of name and the Investment Management Agreement.

(c) A Depositary Agreement between the Fund and European Depositary Bank Luxembourg SA pursuant to which the latter is appointed as Depositary Bank of the assets of the Fund.

(d) An Administration Agreement effective from the re-domiciliation in Luxembourg of the Fund between the Management Company, the Fund and Apex Fund Services S.A. pursuant to which the latter is appointed as Administrative Agent and Registrar and Transfer Agent of the Fund on behalf of the Management Company.

(e) An Investment Advisory Agreement effective from the re-domiciliation in Luxembourg of the Fund between the Investment Manager and Galloway Capital Management Ltd. in the presence of the Fund pursuant to which Galloway Capital Management Ltd acts as Investment Advisor to the Fund. The name of the Investment Advisor was Quasar International Capital Management Ltd before its change of name effective on May 11<sup>th</sup>, 2023. The Investment Manager and the Investment Advisor have entered into a side letter in relation to such change of name and the Investment Management Agreement.

## **7.9 Documents**

Copies of the contracts / agreements mentioned above are available for inspection, and copies of the Articles, the current Prospectus, the current KID(s), the voting policy, the complaints handling procedure and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the Fund in Luxembourg. The Articles and the latest financial reports form an integral part of this Prospectus.

Any relevant Country Supplement will be provided separately or be distributed as part of the Prospectus, as required by local laws.

Copies of the Country Supplements can be obtained from the relevant Fund distributors or local sub-distributors. They may also be obtained on the following website: [www.galloway.com.br](http://www.galloway.com.br), as required by local laws.

#### **7.10 Data Protection**

The Fund, acting as a data controller, collects stores and processes by electronic or other means the data supplied by Shareholders at the time of their subscription for the purpose of fulfilling the services required by Shareholders and complying with its legal obligations, especially to manage the Fund administratively and commercially, to enable operations to be handled pursuant to the stipulations of this Prospectus and other agreements and comply with applicable laws and regulations. The data processed include inter alia but are not limited to the name, address and invests amount of each Shareholder as well as any other information provided in the Subscription Application Form (the “**Personal Data**”).

In particular, the Personal Data supplied by Shareholders are processed for the purposes of (i) maintaining the register of Shareholders; (ii) processing subscriptions, redemptions and conversions of Shares and payments of dividends or interests to Shareholders; (iii) complying with applicable anti-money laundering rules and other legal obligations such as maintaining controls in respect of late trading and market timing practices.

The Personal Data shall never be used for marketing purposes. The Personal Data shall be retained and processed only to extent necessary and limited in time, during the period when Shareholders hold Shares in the Fund and subsequently for the period required by the relevant laws.

The Board of Directors, acting on behalf of the Fund, commits to observe confidentiality concerning information they possess relating directly or indirectly to the Fund or its affairs, unless legal requirements oblige the Board of Directors to divulge such information and/or unless the proper performance of the duties of the Fund, the Board of Directors requires so.

The Board of Directors, acting on behalf of the Fund, is authorized to provide all relevant (including personal and financial) data pertaining to the Fund and its Shareholders to regulatory bodies, tax authorities, the Management Company, the Depositary Bank, the Registrar and Transfer Agent, the Administrative Agent, the Auditor, the lawyers, the Fund advisors, the Investment Manager, the Investment Advisor, the representatives, the agents, the subcontractors, the consultants and the business partners of the mentioned parties under the condition that they are subject to a similar confidentiality duty and limited to the proper execution of the obligations and fulfillment of duties in connection with the direct or indirect rendering of services to the Fund. These persons and/or entities may be located outside the European Union, where data protection regulations are less restrictive. In such situations all the necessary steps will be undertaken in order to safeguard the processing of the Personal Data in accordance with the relevant provisions of law. In case of transfer of the Personal Data to the country outside of the European Economic Area, all the relevant information required by laws and regulations may be obtained – free of charge – from the Fund.

The Personal Data will not be disclosed to unauthorised third parties and the Fund will take all reasonable steps to protect the Personal Data from unlawful disclosure (e.g. as a result of a security breach), and shall such disclosure take place, the Fund will inform the person concerned of a breach. Moreover, the Fund will use its best endeavours so that any third party lawfully processing the Personal Data of the Shareholders applies the same standards.

SHAREHOLDERS SHOULD BE AWARE THAT BY SUBSCRIBING FOR SHARES OF THE FUND, THEY GIVE THEIR CONSENT TO PROCESSING OF THEIR PERSONAL DATA BY THE FUND AND ANY OTHER DULY AUTHORISED PERSON TO WHICH THEIR DATA IS DISCLOSED, AS INDICATED ABOVE.

THE SUBSCRIPTION APPLICATION FORM WILL CONTAIN A CONSENT FORM WHICH IS CLEARLY DISTINGUISHABLE AND DRAFTED IN AN INTELLIGIBLE AND EASILY ACCESSIBLE FORM.

The Shareholder has the right to access his/her/its Personal Data in order to modify, correct, update or supplement them, introduce restrictions in processing the Personal Data, as well as withdraw the consent to process the Personal Data at any time.

Furthermore, the Shareholder shall have the rights, as follows:

- The right to request the Fund to confirm to the said Shareholder if his/her/its Personal Data is being processed and if so, to request access to Personal Data in question as well as the additional information specified in the relevant laws;
- The right to obtain a copy of the Personal Data of the Shareholder being processed;
- The right to obtain the erasure of Personal Data concerning the Shareholder, subject to the relevant provisions;

- The right to receive from the Fund, the Personal Data provided in a structured, commonly used and machine-readable format in order to transmit those data to another data controller;
- The right to lodge a complaint with a supervisory authority if the Shareholder considers that the processing of the Personal Data relating to the Shareholder infringes the relevant laws.

The potential Shareholder may, at his/her/its discretion, refuse to communicate the Personal Data to the Fund. In this event however the Fund may reject his/her/its request for subscription for Shares in the Fund. Furthermore, the Shareholders should be aware that withdraw of the consent for or introducing restrictions to processing of the Personal Data might result in the necessity of redemption of their Shares, as the Fund will no longer be able to fulfill its legal obligations.

## **8. DIVIDEND POLICY**

### **8.1. Distribution Policy**

The distribution policy applicable to each Class of Shares in relation to a particular Sub-Fund will be described in the relevant Supplement. The Board of Directors reserves the right to introduce a distribution policy that may vary between Sub-Funds and different Classes of Shares in issue. Shares may be either distribution Shares or accumulation Shares.

Distributions shall not be paid to any Shareholder, pending the receipt of (i) documents required by the Registrar & Transfer Agent for the purposes of compliance with the AML/CTF Laws and Regulations and/or (ii) documents required by the Registrar & Transfer Agent for the purposes of compliance with tax legislation which might be applicable because of the country of citizenship, residence or domicile of the relevant Shareholder, and/or (iii) its bank details in original written format (if not previously supplied).

The Articles empower but do not require (only for the Shares entitled to distribution) the Board of Directors to declare dividends in respect of the Shares. The distribution policies for each Class of Shares of a Sub-Fund are set forth in the relevant Supplement.

Dividends, if paid, may be paid from any account permitted by law. Dividends, if declared and paid, shall be debited to the relevant Class of Shares.

Classes of Shares which are accumulation Shares retain all income (while accounting for income equalisation) less payable charges, fees, taxes and other expenses and reinvest these amounts. No distributions are expected to be paid to holders of accumulation Shares.

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

## **8.2. Authentication Procedure**

The Board of Directors may carry out any authentication procedures that it considers appropriate relating to dividend payments. This aims to mitigate the risk of error and fraud for the Fund, its agents or Shareholders. Where it has not been possible to complete authentication procedures to its satisfaction, the Board of Directors may delay the processing of payment instructions to a date no later than the envisaged dividend payment date, when authentication procedures have been satisfied.

If the Board of Directors is not satisfied with any verification or confirmation, it may decline to execute the relevant dividend payment until satisfaction is obtained. Neither the Board of Directors nor the Fund shall be held responsible to the Shareholder or anyone if it delays execution or declines to execute dividend payments in these circumstances.

Dividends remaining unclaimed five (5) years after the dividend record date will be forfeited and will accrue for the benefit of the relevant Sub-Fund.

## **9. MANAGEMENT AND ADMINISTRATION**

### **9.1. Board of Directors**

The Board of Directors composed of at least three (3) Directors.

The Directors are responsible for the management and control of the Fund including the determination of investment policies and of investment restrictions and powers.

The Board of Directors may establish committees having specific duties in the future and such committees shall exercise their activities under the responsibility of the Board of Directors. As at the date of this Prospectus there is no committee planned to be established.

The Board of Directors anticipates meetings at least twice a year to review and assess the investment policy and performance of the Fund and the Sub-Funds and generally to supervise the conduct of its affairs. The Directors, however, in their capacity as Directors, are not responsible for the day-to-day operations and administration of the Fund, nor are responsible for making or approving any investment decisions, having delegated such investment responsibilities to the Management Company pursuant to the Management Company Services Agreement and the calculation of the Net Asset Value to the Administrative Agent pursuant to the Administration Agreement, in accordance with its powers of delegation as set out in the Prospectus and the Articles. The Board of Directors will review, on a periodic basis, the performance of such delegate. Nevertheless, Shareholder(s) representing at least 10% of votes entitled to

be expressed at the annual meeting of Shareholders have the right to bring an action against the Board of Directors or the Management Company, as the case may be, on behalf of the Fund.

Shareholder(s) representing at least 10% of the share capital of the Fund may, individually or collectively address written questions to the Board of Directors regarding one or more acts of management of the Fund or of any affiliate thereof regarded as such for consolidation purposes. Should the Board of Directors fail to provide an answer within one month from the date of the request, the Shareholder(s) shall defer the matter to the judge of the relevant chamber of the District Court in accordance with the provisions of article 1400-3 of the 1915 Law.

The Board of Directors, on the other hand, may suspend the voting rights of the Shareholder(s) in breach of his/her/its obligations under the Articles or the Subscription Application Form or the Prospectus.

The Directors are Mr. Nathan Shor Gliksman, Mr. Ulisses Russo de Oliveira and Ms. Maria Mateos Recio.

The chairman of the Board of Directors is Mr. Nathan Shor Gliksman.

Certain background information on the Directors is set forth below.

**Ulisses RUSSO DE OLIVEIRA** (ulisses.deoliveira@galloway.com.br) - Director

Ulisses Russo de Oliveira joined Galloway at the beginning of 2009 to manage Galloway Global EM HY Bond Fund (which became Quasar Emerging Markets Bond Fund and currently being Galloway Emerging Market Bond Fund). Between 2006 – 2009, Ulisses worked in FI sales at Morgan Stanley London and at Planner – a brokerage firm in Brazil. From 2000 until 2006, Ulisses worked for Citigroup NY as a senior investment officer in charge for research and origination of investment ideas in emerging markets fixed income. From 1998 – 2000, he worked for Safra Bank of NY as Assistant Treasurer. Ulisses started his career in 1996 at ED & F Man (a leading commodity house). He worked there until 1998. Ulisses holds a Bachelor of Science in Finance and International Business of NEW YORK UNIVERSITY.

**Nathan SHOR GLIKSMAN** (nathan.shor@galloway.com.br) - Co-founder, Director, Portfolio Manager

Nathan co-founded Galloway in 2005. In 2003 he worked in Convenção (a Brazilian Broker Dealer) was responsible for EM Debt - International Fixed Income; developed the international trading desk. From 2000 to 2003 worked as an entrepreneur in Internet projects. From 1998 until 2000 worked at The Nash Fund as a partner and PM being responsible for its US equities, Forex and Fixed Income allocations. Nathan holds a BSBA from Boston University (Boston, USA) and a Master's degree in Finance from IESA (Instituto Estudios Superiores de Administracion, Caracas, Venezuela).

**Maria MATEOS RECIO** (maria.mateos.recio@lemanik.lu) – Director

Senior Relationship and Business Development Manager of Lemanik Asset Management S.A. Maria Mateos holds a Law Degree from Complutense University in Madrid (Spain). She has been working in banks and fund manager companies for the past 20 years. She held various positions in London and Luxembourg within FTSE, BNY, Standard and Poors, Clearstream and Nordea. Maria joined Lemanik Asset Management S.A. in November 2018 and she is in charge of the Relationship Management and Business Development in Iberia and Latam Regions.

## **9.2. Management Company, Global Distributor and Domiciliary Agent**

The Board of Directors has appointed **Lemanik Asset Management S.A.** as the Domiciliary Agent, the Global Distributor and the Management Company to be responsible on a day-to-day basis, under supervision of the Directors, for providing domiciliary, administration, marketing and investment management services in respect of all Sub-Funds.

The Management Company is a company incorporated under Luxembourg law with registered office situated at 106, Route d'Arlon L-8210 Mamer Grand Duchy of Luxembourg, as of 1<sup>st</sup> January 2015. The Management Company was incorporated for an indeterminate period in Luxembourg on 1 September 1993 in the form of a joint stock company (i.e. a *société anonyme*), in accordance with the 1915 Law, as subsequently amended.

The Management Company is governed by Chapter 15 of the 2010 Law and, in this capacity, is responsible for the collective management of the Fund's portfolio, the administration of the Fund and the marketing of the Fund in accordance with Appendix II of the 2010 Law.

The rights and obligations of the Management Company are governed by contracts entered into for an indefinite period. At the date of the present Prospectus, the Management Company manages also other undertakings for collective investment. The names of all other undertakings for collective investment managed by the Management Company from time to time are available at the registered office of the Management Company.

In accordance with the laws and regulations currently into force and with the prior approval of the Board of Directors, the Management Company is authorised to delegate, unless otherwise provided herein, all or part of its duties and powers to any person or company, which it may consider appropriate, it being understood that the Prospectus will be amended prior thereto and that the Management Company will remain entirely liable for the actions of such representative(s).

The management duties and the duties of administrative agent and registrar and transfer agent are currently delegated, as described below. As consideration for the above services the Management Company shall be paid a commission as stipulated under section 10.3 below.

The above description is not limitative but given as an example only, which allows the Management Company to provide all other additional services to be performed within the context of investment management of Luxembourg undertakings for collective investment in transferable securities in accordance with Luxembourg laws and regulations and as may be agreed from time to time between the Fund and the Management Company.

Additional information which the Management Company must make available to investors in accordance with Luxembourg laws and regulations such as but not limited to Shareholder complaints handling procedures, management of activities giving rise to detrimental conflict of interest, voting rights policy of the Management Company etc., shall be available at the registered office of the Management Company.

### **9.3. Investment Manager**

The Management Company may appoint one or several Investment Managers in order to provide or procure each Sub-Fund investment management services, pursuant to the provisions of the Management Company Services Agreement and in accordance with the investment policy, objective and restrictions of the relevant Sub-Fund as set out in the Articles and the Prospectus and with the aim to achieve the Sub-Fund's investment objective.

In performing such functions, the Management Company may, with the consent of the Board of Directors, determine, subject to compliance with the Prospectus, that an Investment Manager be appointed to carry out investment management services, and be responsible for the relevant Sub-Fund's investment activities within the parameters and restrictions set out in this Prospectus, the relevant Appendix and the relevant Supplement. Any such Investment Manager may be assisted by one or more advisers or delegate its functions, with the approval of the CSSF, the Management Company and the Board of Directors, to one or more sub-managers. In case sub-managers are appointed, the relevant Supplement will be updated.

Unless otherwise stated in the relevant Supplement, the Investment Manager is responsible for, among other matters, identifying and acquiring the investments of the Fund. The Investment Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the relevant Sub-Funds and provide other investment management services to assist the Fund to achieve the investment objectives and policy set out in this Prospectus and any specific investment objective and policy set out in the relevant Supplement.

As a consequence of the foregoing, the Investment Manager shall manage the investments of the respective Sub-Fund in accordance with the stated investment objectives and restrictions and, on a discretionary basis, acquire and dispose of securities of the respective Sub-Funds. The Investment Manager shall also (but not limited to and as more fully described in the Investment Management Agreement) (i) make decisions to buy, sell or hold a particular security or asset, (ii) purchase and sell securities through dealers or advisers who provide research, statistical and other information to the Investment Manager (for sake of clarity, such supplemental information received from a dealer or an adviser is in addition to the services required to be performed by the Investment Manager under the relevant Investment Management Agreement and the expenses which the Investment Manager incurs while providing advisory services to the Fund will not necessarily be reduced as a result of the receipt of such information), (iii) make timely and accurate reports to the Management Company, (iv) analyse and present recommended projects to the Management Company for guidance or approval, (v) use a risk management process as agreed from time to time with the Management Company, (vi) recommend on the investment strategy in case of conversions or redemptions of Shares in the Sub-Funds.

The terms of the appointment of the Investment Manager are specified in the Investment Management Agreement. The Investment Manager is entitled to receive as remuneration for its services hereunder as set out in the relevant Investment Management Agreement or as may otherwise be agreed upon from time to time.

Subject to the Management Company approval and other regulatory notifications and/or approvals, the Investment Manager may sub-delegate the management of any Sub-Fund for which it has been appointed as investment manager, to one or several investment sub-managers as described further in the relevant Supplement for each Sub-Fund.

Pursuant to an Investment Management Agreement effective as of the migration of the Fund, **Galloway Capital Gestora De Recursos Ltda.** having its principal place of business at Avenida Juscelino Kubitschek, No. 1726 13º floor, room 1305,, Edifício Spazio Jk, Itaim Bibi, ZIP Code 04543-000, São Paulo, Brazil, registered with the Register of Legal Person of Brazil (Cadastro Nacional da Pessoa Jurídica) under number 12.489.853/0001-18 (authorised and regulated by the Brazilian Securities and Exchange Commission) has been appointed by the Management Company (in the presence of the Fund) as the Investment Manager of Sub-Fund 1.

**Galloway Capital Gestora De Recursos Ltda.**, was incorporated in Brazil on May 8, 2009 as an investment management company with the corporate name Quasar International Gestora De Recursos Ltda before its change of name effective on March 29<sup>th</sup>, 2023. Today, **Galloway Capital Gestora De Recursos Ltda.** team aims to identify the most interesting opportunities around the world through a solid and extensive research approach and a performance-driven investment style.

#### **9.4. Investment Advisor**

The Investment Manager, or the Investment Managers, as the case may be, may appoint an Investment Advisor in order to provide or procure each Sub-Fund investment advisory services in accordance with the investment policy, objective and restrictions of the relevant Sub-Fund as set out in the Articles and the Prospectus and with the aim to achieve the Sub-Fund's investment objective.

Pursuant to an Investment Advisory Agreement effective as of the migration of the Fund, **Galloway Capital Management Ltd.**, having its principal office at P.O. Box 4428 Columbus Centre, Road Town, Tortola, British Virgin Islands, registered with the British Virgin Islands register under number 1428674 (authorized and regulated by the British Virgin Islands regulatory authority) has been appointed by the Investment Manager as the Investment Advisor of Sub-Fund 1.

**Galloway Capital Management Ltd. ("GCM")**, was incorporated in the British Virgin Islands on August 30th, 2007 with the corporate name Quasar International Capital Management Ltd before its change of name effective on May 11<sup>th</sup>, 2023. It is an emerging markets investment advisor whose core business is to conduct research, make investment recommendations in respect of securities (mostly sovereign, quasi-sovereigns and corporate fixed income securities). Its multi research approach includes an initial screening score card where the potential Issuers are ranked as per characteristics such as credit rating, industry transparency, related party transactions, history of default, to name a few of the thresholds which can be red flags for not pursuing an investment. Then a top-down analysis of the investment where the macro context, sector strategy and technicals of the issuer are inserted in, are further analyzed. And finally, a bottom-up research approach of the issuer is executed, where we take into consideration GCM's local network, issuer criteria, deal analysis and credit bottom line of the investment.

**Galloway Capital Management Ltd.** is authorized and regulated as a Financial Services Business Provider by the Financial Services Commission of the British Virgin Islands.

The Investment Advisor shall (but not limited to and as more fully described in the Investment Advisory Agreement) (i) advise the Investment Manager and therefore provide investment/divestment proposals to the Investment Manager, (ii) remain at all times within communication with the Investment Manager maintaining adequate and up-to-date contact information, (iii) keep constantly under surveillance and review the investments for the time being of the Fund and recommend to the Investment Manager possible changes in such investments, (iv) obtain accurate and up-to-date valuations of the various investments for the time being of the Fund on a periodic basis, (v) advise whether and in what manner all rights conferred by or attached to the investments of the Fund may be exercised, (vi) make timely and accurate reports to the Investment Manager, as may be directed by the Investment Manager, reflecting the history, present status and anticipated progress of any or all investment of the Fund, including reports on the trading strategy employed on behalf of the Fund, risk management objectives, and investment systems, (vii) maintain

accurate and up-to-date financial information in relation to the Fund's assets, and advise the Investment Manager periodically and/or upon request on the availability of funds for the purpose of redemption requirements.

Furthermore, the Investment Advisor should also explore investments, conduct assessments and perform due diligence of new opportunities where applicable, monitor and engage in the object of the Fund as needed, assist in the exits when so determined by the Investment Manager.

The Investment Advisor is also responsible of the costs linked to Bloomberg as well as other information platform. For sake of clarity, the investment decisions always remain in the hand of the Investment Manager.

## **9.5. Depositary Bank**

The Fund has appointed European Depositary Bank SA further to a novation agreement in which Deutsche Bank Luxembourg S.A. transfers to European Depositary Bank SA absolutely all of its rights and title with effect as of 1 July 2019 to act as depositary of all its assets, including its cash and securities, pursuant to the Depositary Agreement and in accordance with (a) UCITS Directive (in particular UCITS V Directive), (b) UCITS Level 2 Regulation, (c) CSSF Circular 16/644, as each may be amended or superseded (together hereafter referred to as the “**UCITS Regulations**”), and any other European or Luxembourg piece of legislation that is applicable or may become applicable from time to time.

The Depositary is a Luxembourg public limited company (*société anonyme*), registered with the RCS under number B.10.700. The Depositary was incorporated on 20 February 1973 under the laws of the Grand Duchy of Luxembourg. The Depositary maintains its registered office and place of central administration in the Grand Duchy of Luxembourg. The Depositary has a banking licence granted in accordance with the Luxembourg law of 5 April 1993 on the financial sector, as amended from time to time. It is registered on the official list of Luxembourg credit institutions and is subject as such to the supervision of the CSSF.

The relationship between the Fund and the Depositary is subject to the terms of the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is responsible for the safekeeping of all assets of the Fund, including cash, securities and other financial instruments: the Depositary must have knowledge at any time of how the assets of the Fund have been invested and where and how these assets are available. The Depositary shall assume its duties and responsibilities in accordance with the provisions of the 2010 Law.

The Depositary shall also be responsible for the oversight of the Fund to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Depositary Agreement.

The Depositary must under Article 34 of the 2010 Law:

- a) ensure that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the law and the Articles;
- b) ensure that the value of the Shares is calculated in accordance with the law and the Articles;
- c) carry out the instructions of the Fund or of the Management Company acting on behalf of the Fund, unless they conflict with the law or the Articles;
- d) ensure that in transactions involving the assets of the Fund any consideration is remitted to it within the usual time limits;
- e) ensure that the income of the Fund is applied in accordance with the law or the Articles.

The Depositary shall ensure that the cash flows of the Fund are properly monitored and, in particular, that all payments made by, or on behalf of, Shareholders upon the subscription of Shares have been received and that all cash of the Fund has been booked in cash accounts that are:

- a) opened in the name of the Fund or of the Depositary acting on behalf of the Fund;
- b) opened at an entity referred to in points a), b) and c) of Article 18, paragraph 1, of the Commission Directive 2006/73/EC; and
- c) maintained in accordance with the principles set out in Article 16 of the Commission Directive 2006/73/EC.

Where the cash accounts are opened in the name of the Depositary acting on behalf of the Fund, no cash of the entity referred to in point b) of the first sub-paragraph and none of the own cash of the Depositary shall be booked on such accounts.

The assets of the Fund shall be entrusted to the Depositary for safekeeping as follows:

- a) for financial instruments that may be held in custody, the Depositary shall:
  - i) hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
  - ii) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts, in accordance with the principles set out in Article 16 of the Commission Directive 2006/73/EC, opened in the name of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times;
- b) for the other assets, the Depositary shall:
  - i) verify the ownership by the Fund of such assets by assessing whether the Fund holds the ownership based on information or documents provided by the Fund and, where available, on external evidence;

- ii) maintain a record of those assets for which it is satisfied that the Fund holds the ownership and keep that record up to date.

The assets of the Fund held in custody by the Depositary shall not be reused by the Depositary, or by any third party to which the custody function has been delegated, for their own account. Reuse comprises any transaction of assets held in custody including, but not limited to, transferring, pledging, selling and lending.

The assets of the Fund held in custody by the Depositary are allowed to be reused only where:

- a) the reuse of the assets is executed for the account of the Fund;
- b) the Depositary is carrying out the instructions of the Fund or of the Management Company on behalf of the Fund;
- c) the reuse is for the benefit of the Fund and in the interest of the Shareholders; and
- d) the transaction is covered by high-quality and liquid collateral received by the Fund under a title transfer arrangement.

The market value of the collateral shall, at all times, amount to at least the market value of the reused assets plus a premium.

In case of insolvency of the Depositary and/or of any third party located in Luxembourg to which custody of the assets of the Fund has been delegated, the assets held in custody shall be unavailable for distribution among, or realisation for the benefit of, creditors of such a depositary and/or such a third party.

The Depositary shall not delegate to third parties the functions referred to in paragraphs 1 and 2 of Article 34, according to Article 34bis of the 2010 Law.

The Depositary shall provide the Management Company, on a regular basis, with a comprehensive and up-to-date inventory of all the assets of the Fund.

The Depositary Agreement contains provisions exempting the Depositary from liability and indemnifying the Depositary in certain circumstances. The liability of the Depositary for the safe-keeping of the Fund's assets will not be affected by the fact that it has entrusted all or part of the custody of the assets to a third party. The Depositary Agreement is governed by Luxembourg law and will remain in effect until such time as it is terminated in accordance with the provisions of the Depositary Agreement. The Depositary Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days prior written notice (or such shorter notice as the Parties may agree). The Depositary Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. However, the Depositary shall continue to act as Depositary for up to two months pending a replacement depositary being appointed and until such

replacement, the Depositary shall take all necessary steps to ensure the good preservation of the interests of the Shareholders and allow the transfer of all assets of the Fund to the succeeding depositary.

A potential conflict of interest between the interests of the Fund or the Depositary may occur:

- where the Depositary's own interests and/or those of its affiliates are in conflict with the interests of the customer or the depositary function;
- where the interests of one customer of the Depositary are in conflict with the interests of another Depositary customer;
- in respect of the Depositary's sub-custodians and counterparties;
- in respect of a combination of any other factors which may lead to a potential conflict of interest.

Potential conflicts of interest may arise from time to time out of the provision by the Depositary and/or its affiliates of other services to the Fund and/or other parties. For example, the Depositary and/or its affiliates may act as depositary on the one hand and as administrator, transfer agent or render such other services to the Fund. These additional services are structured so that, from an organisational and hierarchical perspective, they are executed either by different entities within the Apex Group or different departments/units within European Depositary Bank SA and are governed by separate contracts which can be terminated by any party at any time if it appears that a conflict of interest may exist which cannot be remedied or would be prohibited by applicable law.

Based on applicable law and in order to avoid any conflicts of interest, no delegation or sub-delegation relating to the principal function of investment management or portfolio management can be accepted by the Depositary or delegated to an affiliate or a sub-custodian of the Depositary. As this prohibition applies to any third party custodian/ sub-custodian and in general to any entity below the third party custodian/ sub-custodian in the custody chain of an asset, the Depositary has published on its website an up-to-date list of currently used sub-custodian. The Fund and the Management Company have thus full transparency and can ensure that no conflict exists with the Depositary's sub-custodian network in particular as to entities involved in investment and/or portfolio management of the Fund.

To the extent the Depositary becomes aware of any further potential conflict of interest not captured in this Prospectus, the Depositary will promptly inform the Fund.

The Fund has hereby expressly consented that the Depositary has the right to disclose Fund data covered by Luxembourg banking secrecy obligations to third party service providers, to the extent this is required for the aforementioned delegation activities. The Depositary shall undertake its best efforts to ensure that such service providers are contractually bound to comply with confidentiality and security obligations with respect to such data.

Each Party undertakes to undertake its best efforts to comply with applicable data protection laws at all times.

The Depositary is not involved, directly or indirectly, with the business affairs, organization, sponsorship or management of the Fund and has not participated in and is not responsible for the preparation of this document or any other disclosure documents and accepts no responsibility and shall not be liable for any information contained in this document or any other disclosure documents.

For the avoidance of any doubt, the duties summarized above do not represent an exhaustive list of the Depositary duties in relation to the Fund and/or the Management Company and shall be corroborated and interpreted in accordance with the UCITS Regulations.

Updated information on the Depositary's custody duties, policy, delegations and sub-delegations may be obtained, free of charge and upon request, from the Depositary.

#### **9.6. Administrative Agent, Paying Agent and Registrar and Transfer Agent**

**Apex Fund Services S.A.** has been appointed as administrative agent of the Fund and is responsible for the determination of the Net Asset Value of the Shares in each Sub-Fund and Class of Shares subject to the overall supervision of the Management Company and for the maintenance of accounting records.

Apex Fund Services S.A. has also been appointed as Registrar and Transfer Agent of the Fund.

The relationship between the Fund and the Administrative Agent, Registrar and Transfer Agent is subject to the Administration Agreement.

Subject to the terms of the Administration Agreement, Apex Fund Services S.A. shall be liable only for losses incurred by the Management Company, the Fund or any of its Sub-Funds as a direct consequence of the negligence (*faute*) committed by Apex Fund Services S.A. (whether through an act or an omission) in the performance of its duties under the terms of the Administration Agreement, in circumstances where, in the context of the net asset calculation process, the tolerance threshold applicable to the Fund set out in CSSF Circular 02/77, as amended from time to time, is exceeded; provided, however, that Apex Fund Services S.A. shall be liable for losses incurred by the Fund or any of its Sub-Funds regardless of whether or not such losses exceed this threshold if (a) such losses are a direct consequence of the gross negligence (*faute lourde*) (whether through an act or an omission) or the wilful misconduct (*dol*) committed by Apex Fund Services S.A. in the performance of its duties under the terms of the Administration Agreement, or (b) such losses are a direct consequence of the negligence (*faute*) of Apex Fund Services S.A. (whether through an act or an omission) in the performance of its duties under the terms of the Administration Agreement which may not be subject to such limitation of liability according to Luxembourg law.

Pursuant to the terms of the Administration Agreement, Apex Fund Services S.A., its directors and officers are indemnified and held harmless from and against all expenses, claims, damages, losses, commitments, costs, disbursements, taxes and other liabilities incurred or suffered by Apex Fund Services S.A. resulting directly or indirectly from Apex Fund Services S.A. carrying out its obligations under the Administration Agreement, except in the case of a gross negligence (*faute lourde*) (whether through an act or an omission) or wilful misconduct (*dol*) or breach of contractual obligations committed by Apex Fund Services S.A., relevant director(s) or officer(s) and all claims, losses or commitments resulting from a breach by the Fund of the representations and warranties made in the Administration Agreement.

Apex Fund Services S.A. is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Fund or its Sub-Funds and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document other than the above description.

Furthermore, Apex Fund Services S.A. is not responsible for the monitoring of the compliance of the Fund's or Sub-Funds' investments with any investment rules and restrictions contained in its Articles and/or this Prospectus and/or in any Investment Management Agreement.

In case of discrepancies between the foregoing and the Administration Agreement, the Administration Agreement shall prevail.

#### **9.7. Auditor**

Ernst & Young S.A., having its registered office at 35E, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, has been appointed as auditor of the Fund and can be re-elected.

### **10. MANAGEMENT AND FUND CHARGES**

#### **10.1. Subscription, redemption and conversion charges borne by the Shareholder**

Subscription, conversion and redemption charges as disclosed in the relevant Supplement will apply, as the case may be, in respect of each Sub-Fund.

A Placement Fee if any, may be deducted from the subscription amount of Shares before investment (please see below Section 10.3. Fees of the Investment Manager) to compensate selected financial intermediaries and other persons. It may be waived in whole or in part at the discretion of the beneficiary of this charge either for individual Shareholders or for particular groups of Shareholders. The balance of the amount invested after the deduction of any applicable Placement Fee will then be applied to the

purchase of Shares in the relevant Sub-Fund. The Placement Fee is neither deducted from the Net Asset Value per Share nor paid out of the assets of the relevant Sub-Fund. The Investment Manager may only pay an amount of any Placement Fee it receives to selected financial intermediaries and other persons who assist in the placement of Shares with whom it has agreements. The Shareholder may agree to the precise amount of the Placement Fee with the selected financial intermediaries and other persons who assist in the placement of Shares with whom the Investment Manager has agreements. For the Placement Fee, Shareholders might be eligible to pay less than the maximum amounts shown in the relevant Supplement. The Placement Fee shall not exceed the maximum amounts shown in the relevant Supplement. The Placement Fee shall in no case exceed the maximum permitted by the laws, regulations, and practice of any country where the Shares are sold. Shareholders should consult their financial advisor. Detailed information is available in the relevant Supplement.

A redemption fee or early redemption fee, as disclosed in the relevant Appendix, may apply in respect of each Sub-Fund for the purpose of investor retention, recovering the costs associated with the trading of the redemption and as a general liquidity management tool. The rationale for charging a redemption fee or an early redemption fee will be specified in the relevant appendix alongside the specific percentage and the recipient of such fee.

#### **10.2. Fees of the Management Company and Domiciliary Agent**

The Management Company is entitled to receive an annual variable management company fee, applicable per brackets, of up to 0.3%, based on the net assets of the Sub-Fund, with a minimum of EUR 20,000 for the first Sub-Fund and EUR 6,000 for the following ones per annum.

In addition with the fees aforementioned, the Management Company will receive from the Fund, for domiciliary duties, an annual fee of EUR 1,500 plus up to EUR 5,000 per annum per Sub-Fund.

The fees of the Management Company are computed on the Net Asset Value per Sub-Fund.

#### **10.3. Fees of the Investment Manager**

The Investment Manager will be paid directly by the relevant Sub-Fund a Management Fee and a Performance Fee out of the assets of the respective Sub-Fund(s), the amount of which is specified for each Class of Shares of each Sub-Fund in the relevant sections of the relevant Supplement.

The Investment Manager will as the case may be paid a Placement Fee and / or a Redemption Fee, the amount of which is specified for each Class of Shares of each Sub-Fund in the relevant section of the relevant Supplement.

The Investment Manager reserves the right to waive any fees and/or to share fees with an intermediary.

#### **10.4. Fees of the Investment Advisor**

The Investment Advisor will be paid directly by the relevant Sub-Fund an Advisory Fee out of the assets of the respective Sub-Fund(s), the amount of which is specified for each Class of Shares of each Sub-Fund in the relevant sections of the relevant Supplement.

The Investment Advisor reserves the right to waive any fees and/or to share fees with an intermediary. Intermediary fees may be indeed paid by the Investment Advisor out of its fees to third parties. Such third parties shall make adequate disclosure with respect to the payment of such intermediary fees as per due and standard practice and are solely responsible for so informing.

#### **10.5. Other expenses**

##### **10.5.1. Fees of the Administrative Agent, Paying Agent and Registrar and Transfer Agent**

The Administrative Agent shall charge pro rata each Sub-Fund an administration fee as follows:

- 11 bps of NAV from USD 0 to USD 100 million;
- 10 bps of NAV from USD 100 million to USD 250 million; and
- 9 bps of NAV above USD 250 million;

With a minimum of USD 120,000 per annum per Sub-Fund, excluding out-of-pocket expenses.

In addition, the Administrative Agent will be paid out of the assets of each Sub-Fund certain fixed fees for the preparation of financial statements and investor services, account maintenance and investor transaction fees, in each case charged at normal commercial rates as set out in the Administration Agreement and payable quarterly in arrears.

Any services that do not fall within the scope of the services described in the Administration Agreement, including the tasks performed as a result of the termination of the Administration Agreement in order to transfer the relevant functions/assets to the replacement service provider, when such termination occurs at the request of the Fund, shall be invoiced separately.

##### **10.5.2. Fees of the Depositary Bank**

The Depositary Bank shall charge pro rata each Sub-Fund a depositary fee as follows:

- 5 bps of NAV from USD 0 to USD 100 million;
- 4 bps of NAV from USD 100 million to USD 250 million; and

- 2 bps of NAV above USD 250 million;

With a minimum of USD 35,000 per annum per Sub-Fund, excluding out-of-pocket expenses.

Any services that do not fall within the scope of the services described in the Depositary Agreement, including the tasks performed as a result of the termination of the Depositary Agreement in order to transfer the relevant functions/assets to the replacement service provider, when such termination occurs at the request of the Fund, shall be invoiced separately.

### **10.5.3. Fees of the Auditor**

The Auditor is entitled to receive out of the assets of the Fund and its Sub-Funds the audit fees.

### **10.6. Contingent liabilities**

The Board of Directors may accrue in the accounts of the Fund an appropriate provision for current taxes payable which are certain or probable to occur and can be measured with reasonable accuracy in the future based on the capital and income to the Valuation Day, as determined from time to time by the Board of Directors, as well as such amount (if any) as Board of Directors may consider to be an appropriate allowance in respect of any risks or liabilities of the Fund (i.e. liabilities for past events which are definite as to their nature and are certain or probable to occur and can be measured with reasonable accuracy, which might arise during the life of the Fund and may include potential liabilities arising from any disputes (such as with a buyer or a tax authority) or as a result of any warranty or other similar arrangement arising as a result of a disposal of an investment of the Fund), provided that for the avoidance of doubt, on the basis that the assets are held for investment, it is not expected that such provisions shall include any deferred taxation.

The Fund also bears its other operational and administrative costs including but not limited to the costs of selling and buying assets, the costs of legal publication, governmental charges, legal, auditing and quality controlling deeds, reporting expenses, the remuneration of the Directors and their reasonable out-of-pocket expenses, reasonable marketing and investor services expenses. All expenses are accrued on each Valuation Day in determining the Net Asset Value and are charged first against income.

**The costs and commissions charged on the management of each Sub-Fund will be disclosed using the internationally recognised Total Expense Ratio (TER). The TER is calculated monthly by dividing the total operating costs and commissions, excluding securities transaction costs (brokerage), charged on an ongoing basis to the Sub-Fund's assets by the average assets of such Sub-Fund. The TER for the Sub-Funds will be included in the semi-annual and annual reports.**

## 10.7. Remuneration Policy

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, this Prospectus or the Articles nor impair compliance with the Management Company's obligation to act in the best interest of the Fund (the "Remuneration Policy").

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Fund.

A paper copy of the Remuneration Policy is available free of charge to the Shareholders upon request.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the Shareholders and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

- a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;
- d) the assessment of performance is set in a multi-year framework in order to ensure that the assessment process is based on the longer-term performance of the Fund and its employees and that the actual payment of performance-based components of remuneration is spread over the same period;
- e) the variable remuneration to individuals is paid in a manner that does not facilitate avoidance of the requirement of the 2010 Law; and
- f) the remuneration in relation to the cancellation of a contract will be defined to the extent of the duties performed and avoiding the reward of failure or bad performance.

In context of delegation, the Remuneration Policy will ensure that the delegate comply with the following:

- a) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- b) if at any point of time, the management of the Fund were to account for 50 % or more of the total portfolio managed by the delegate, at least 50 % of any variable remuneration component will have to consist of Shares, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this item; and
- c) a substantial portion, and in any event at least 40 % of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the Shareholders and is correctly aligned with the nature of the risks of the Fund.

**Details of the Remuneration Policy, including, but not limited to, the persons in charge of determining the fixed and variable remunerations of staffs, a description of the key remuneration elements and an overview of how remuneration is determined, is available on the website: <https://www.lemanikgroup.com/wp-content/uploads/2023/03/Remuneration-policy.pdf>.**

## **11. TAXATION**

The following sections are short summaries of certain important Luxembourg taxation principles that may be or become relevant with respect to the Shares. The section does not purport to be a complete summary of tax law and practice currently applicable in any of the jurisdictions mentioned in the Prospectus.

The Luxembourg tax aspects described below are general in nature and are based on the current tax laws, regulations and administrative practice in force in Luxembourg at the date of issuance of this Prospectus. No assurance can be given that current laws, regulations and administrative practice may not change in the future, which may have an impact on the Luxembourg tax comments in this Prospectus and with respect to the Fund and/or the Shares.

The information set forth in the following sections is based on current legal and administrative practices and may be subject to modification, and sometimes with retroactive effect. Any such modification may invalidate the content of the information contained under the following sections, which information will not be updated to reflect such modification.

Generally the tax consequences of acquiring, holding, exchanging, redeeming or disposing of Shares in the Fund will depend on the relevant laws of the jurisdiction to which the Shareholder is subject. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed gains of the Fund. These consequences will vary with the law and practice of the Shareholder's country of residence, domicile or incorporation and with his/her/its

personal circumstances. The Directors, the Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

**PROSPECTIVE INVESTORS AND SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN PROFESSIONAL TAX ADVISERS IN RESPECT OF THEIR INVESTMENT IN THE FUND AND SHOULD INFORM THEMSELVES OF, AND WHERE APPROPRIATE TAKE ADVICE ON, THE LAWS AND REGULATIONS (SUCH AS THOSE RELATING TO TAXATION, FOREIGN EXCHANGE CONTROLS AND BEING PROHIBITED PERSONS) APPLICABLE TO THE SUBSCRIPTION, PURCHASE, HOLDING, AND REDEMPTION OF SHARES IN THE COUNTRY OF THEIR CITIZENSHIP, RESIDENCE OR DOMICILE, AND OF THE CURRENT TAX STATUS OF THE FUND IN LUXEMBOURG.**

### ***The Fund***

The Fund is governed by Luxembourg tax laws. Pursuant to the provision of the 2010 Law, the Fund is not subject to Luxembourg tax, apart from what is stated below.

Under current law and practice, the Fund is liable, at the date of this Prospectus, to an annual subscription tax of in principle 0.05% (except those Sub-Funds or Classes of Shares, which may benefit from the lower rate of 0.01% as more fully described in Article 174 of the 2010 Law or may be exempt as described in Article 175 of the 2010 Law). No such tax is due on the portion of assets of the Fund invested in other Luxembourg UCITS or UCIs (if any) provided that such assets have already been subject to the subscription tax. This subscription tax is payable quarterly and calculated on the basis of the Fund's net assets at the end of the relevant quarter.

No duty or other tax will be paid in Luxembourg on the issue of Shares except for a fixed registration duty of EUR 75 paid by the Fund upon incorporation and upon future modification (if any) of the Articles.

Based on article 159 of Luxembourg income tax law of 4 December 1967, as amended from time to time, the Fund should be considered as resident in Luxembourg for Luxembourg domestic tax purposes. To this extent, the Luxembourg tax authorities could therefore issue a tax residency certificate to the Fund based on Luxembourg tax law. However, since a SICAV is an entity exempt from corporate income tax in Luxembourg, some foreign jurisdictions do not agree to grant tax treaty benefits to a SICAV. The Luxembourg tax authorities issued the Circular L.G – A n° 61 dated 8 December 2017 listing the jurisdictions which recognize the SICAV as a Luxembourg tax resident entity within the meaning of the double tax treaty they concluded with Luxembourg. A tax residency certificate within the meaning of a double tax treaty may therefore only be issued by Luxembourg tax authorities for such jurisdictions. Whether or not the Fund may qualify for the application of a specific tax treaty is to be analysed on a treaty-per-treaty basis.

Income (e.g. dividends, interest, capital gains etc.) from assets invested in by the Fund and received by the Fund may be liable to income, withholding or capital gains taxes in the country of origin of such assets

without them being necessarily recoverable. The income is therefore collected by the Fund after any deduction of any such taxes. Depending on the nature of the Fund, some of the withholding taxes on dividends may be recovered based on the non-discrimination principle as stated by the European Court of Justice in its decisions Aberdeen C-303/07 and Santander C-338/11. Any such possible recovery is to be analysed on a case by case basis.

Finally, the Fund may also be subject to indirect taxes on its operations and on services charged to it under applicable legislation.

### ***The Shareholders***

At the date of this Prospectus, Shareholders that are not tax resident in Luxembourg (nor have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the Shares - as owned by such Shareholder - can be allocated for Luxembourg tax purposes) are neither subject to any taxation in Luxembourg on capital gains, on income realised by the Fund, nor to any transfer tax in Luxembourg.

Shareholders that are not tax resident in Luxembourg (nor have a permanent establishment, a permanent representative or a fixed place of business in Luxembourg to which the Shares - as owned by such Shareholder - can be allocated for Luxembourg tax purposes) are also neither subject to taxation in Luxembourg on the holding, sale, purchase or repurchase of Shares in or by the Fund (except with respect to Luxembourg gift tax, in the event that a gift is made pursuant to a notarial deed signed before a Luxembourg notary or registered in Luxembourg) nor on distributions from the Fund.

Shareholders that are tax resident in Luxembourg or have a permanent establishment, permanent representative or a fixed place of business in Luxembourg to which the Shares - as owned by such Shareholder - can be allocated for Luxembourg tax purposes are liable to tax in Luxembourg in respect of the holding, sale, purchase or repurchase of Shares in or by the Fund.

*The information set forth in the following sections is based on current legal and administrative practices and may be subject to modification, and sometimes with retroactive effect. Any such modification may invalidate the content of the information contained under the following sections, which information will not be updated to reflect such modification.*

*Prospective investors and Shareholders should inform themselves of, and where appropriate take advice on, the laws and regulations (such as those relating to taxation, foreign exchange controls and being Prohibited Persons) applicable to the subscription, purchase, holding, and redemption of Shares in the country of their citizenship, residence or domicile, and of the current tax status of the Fund in Luxembourg.*

### **FATCA**

The Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America. The Fund will be obliged to comply with the provisions of the Foreign Account Tax Compliance Act ("**FATCA**") under the terms of the Luxembourg legislation implementing the IGA.

FATCA requires foreign financial intermediaries ("**FFI**") on US accountholders and certain US investors to transmit information about "Financial Accounts" held by "Specified US Persons", directly or indirectly, to the Internal Revenue Service ("**IRS**") on an annual basis.

Under FATCA, the Fund will be subject to U.S. federal withholding taxes at a rate of 30% on payments of, inter alia, interest, dividends and gross sales proceeds (on the capital redeemed or sold) paid to the FFI after 30th June 2014, unless it complies (or is deemed compliant) with extensive reporting and withholding requirements.

According to the IGA, the Fund has opted for the reporting FFI status with the Luxembourg tax administration. The first report to the Luxembourg tax administration will be in 2015 in respect of the year 2014. However, there can be no guarantee or assurance that the Fund will be able to comply with all the requirements imposed by FATCA. Should the Fund not be able to comply with the FATCA's requirements and the Fund be subject to US withholding tax on certain with-holdable payments as a result of non-compliance, the Shareholders may suffer significant loss as a result (i.e the Net Asset Value may be adversely affected).

All Investors and Shareholders should consult with their own tax advisor(s) regarding the possible implication of FATCA on their investments in the Fund

The Fund and/or its Shareholders may also be indirectly affected by the fact that a non US financial entity does not comply with FATCA regulations even if the Fund satisfies with its own FATCA obligations

The Shareholders shall provide any information upon request to enable the Fund, the Administrative Agent, the Management Company, the Global Distributor, the Investment Manager and/or the Investment Advisor and their affiliates to comply with reporting requirements in any relevant jurisdictions as well as complete the relevant FATCA form as requested by any tax authority. Moreover, the Shareholders permit the disclosure of required information to the relevant tax authorities (the "**US Tax Information**"). Such US Tax Information shall be updated at the latest 20 calendar days after they become out of date.

The Shareholders waive any provision of non-US law which would otherwise prevent compliance with the disclosure of the US Tax Information. Moreover, the Shareholders acknowledge that a failure to disclose the US Tax Information upon request, may, unless an applicable IGA<sup>1</sup> is available, lead to a 30%

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<sup>1</sup> IGA : Intergovernmental Agreement. The Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the United States. The Fund will be obliged to comply with the provisions of the Foreign Account Tax Compliance Act ("FATCA") under the terms of the Luxembourg legislation implementing the IGA.

withholding tax being imposed on US sourced dividends and interest and on the gross proceeds from the sale or disposition of US stocks, debt instruments and other assets. The Shareholders agree to indemnify and hold harmless the Fund, the Administrative Agent, the Management Company, the Global Distributor, the Investment Manager and/or the Investment Advisor and their directors, officers, employees, subsidiaries, shareholders, servants, agents, affiliates and permitted delegates and sub-delegates as well as the other Shareholders of the Fund in respect of any withholding tax which they might suffer as a result of their non-compliance with the disclosure of the US Tax Information. The Shareholders understand that the Fund may compulsorily redeem the Shares in the event of non compliance with the disclosure of the US Tax Information in order to protect the interests of the other Shareholders of the Fund.

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

Following the development by the Organisation for Economic Co-operation and Development ("**OECD**") of a common reporting standard ("**CRS**") to achieve a comprehensive and multilateral automatic exchange of information (**AEOI**) in the future on a global basis, 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 on 9 December 2014 in order to implement the CRS among the Member States. 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.

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, as amended from time to time ("**CRS Law**"). The CRS Law requires Luxembourg financial institutions to identify financial assets holders and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

Accordingly, the Fund will 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), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of fiscal residency of the foreign investors to the extent that they are fiscally resident in a jurisdiction participating in the AEOI.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. The Multilateral Agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis. Investors in the Fund may therefore be reported to the Luxembourg and other relevant tax authorities in accordance with applicable rules and regulations.

**INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISORS ON THE POSSIBLE TAX AND OTHER CONSEQUENCES WITH RESPECT TO THE IMPLEMENTATION OF THE CRS.**

***DAC 6 Law***

The Luxembourg law of 25 March 2020, as amended from time to time (the "**DAC 6 Law**") has implemented into the national legislation the Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (DAC 6). The DAC 6 Law imposes on parties involved in aggressive tax planning a reporting obligation. Therefore cross-border arrangements (where at least one party is in a EU country) may need to be reported if they meet one or more hallmarks as indicated in the DAC 6 Law.

The reporting obligations lie with either the taxpayers or the intermediaries (i.e. entities which design, market or organize the reportable cross-border arrangements) which need to inform the Luxembourg tax administration (*Administration des contributions directes*) of the tax aggressive cross-border arrangements (a) within 30 days beginning on the day after the reportable cross-border arrangement is made available for implementation; or (b) on the day after the reportable cross-border arrangement is ready for implementation; or (c) when the first step in the implementation of the reportable cross-border arrangement has been made, whichever occurs first

Due to DAC 6 Law's extensive framework, transactions conducted by the Fund may fall within the scope of the DAC 6 Law and hence be reportable. Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the DAC 6 Law.

## Supplement I

### Galloway Emerging Markets Bond Fund

***The information contained in this Supplement should be read in conjunction with the full text of the Prospectus of which this forms an integral part. This Supplement only refers to Galloway Emerging Bond Fund (the “Sub-Fund 1”).***

#### 1. Main terms of the Sub-Fund 1

##### Duration

The Sub-Fund 1 has been created for the lifetime of the Fund.

##### Reference Currency

The Reference Currency of the Sub-Fund 1 is USD.

The Net Asset Value per Share of each Class of Shares will be calculated in the Reference Currency of that Class of Shares as specified in the table in the section 3-Offering.

The Reference Currency of each Class of Shares is reflected in the name of such Class of Shares.

The investments of the Sub-Fund 1 shall not be hedged except for the Class B (CHF), for the Class B (EUR) and for the Class C (BRL).

##### Net Asset Value

The Net Asset Value per Share is determined daily on the relevant Valuation Day.

The Valuation Day is the Business Day immediately preceding the relevant Subscription Day or Redemption Day, as the case may be.

The Net Asset Value per Share is effectively calculated on the Business Day following the Valuation Day (being the related Subscription Day or Redemption Day, as the case may be) on the basis of the latest prices available on the Valuation Day.

The Net Asset Value per Share of each Class of Shares will be available from the Administrative Agent.

## Global exposure

As part of its risk management process and in view of the long-only strategy that is pursued, the global exposure of the Sub-Fund 1 is measured and controlled by the commitment approach. The global exposure of the Sub-Fund 1 does not exceed 100% of its total net assets. The global exposure of the Sub-Fund 1 is not expected to exceed 100% of its total net assets.

In accordance with the CSSF Circular 11/512, the Sub-Fund 1 uses a commitment approach to monitor its global exposure resulting from the use of FDI.

## Profile of a Typical Investor

Galloway Emerging Markets Bond Fund is suitable for investors wishing to attain defined investment objectives in emerging markets corporate and sovereign bonds. The investor must be able to accept significant losses. The Sub-Fund 1 is intended for all type investors (i.e. retail investors, professional investors and institutional investors).

An investment in the Sub-Fund 1 is designated to be a medium to long term investment. Investors should not expect to obtain short-term gains from such investment. The Sub-Fund 1 is suitable for investors who can afford to set aside the capital for the medium to long term and who seek a medium investment risk.

## 2. Investment Objectives, Policy and Strategy

*The following description is merely a summary and an investor should not assume that any descriptions of the specific activities in which the Sub-Fund 1 may engage are intended in any way to limit the types of investment activities which the Sub-Fund 1 may undertake or the allocation of the Sub-Fund 1 capital among such investments. The Board of Directors reserves the right to alter the investment policy or strategy of Sub-Fund 1 as deemed appropriate from time to time in its discretion without obtaining Shareholders' approval. However, in such case Shareholders will have one month from the date of receipt of the notice of the change of the investment policy and strategy to request the redemption of their Shares without charge.*

### 2.1 Investment Objective

**Galloway Emerging Markets Bond Fund** is an active high-yield long-only fund specialized in emerging markets corporate and sovereign bonds.

The Sub-Fund 1 is designed to provide investors with the opportunity of investing primarily in global fixed income instruments, including but not limited to government bonds, corporate bonds, high yield bonds, convertible bonds including CoCos.

The Sub-Fund 1 aims for consistent risk-adjusted returns by focusing on global emerging markets. The Sub-Fund 1 looks for issuers and Eurobonds denominated in hard currencies through a disciplined investment process. Its multi-approach due diligence is composed of country macroeconomic outlook, geopolitics and sector overview, company and country credit metrics analysis. The Sub-Fund 1 has a highly diversified strategy, being able to invest in all categories of assets to the extent permitted by the 2010 Law and as further described in this Supplement.

The Sub-Fund 1 is Actively Managed and is not managed in reference to a benchmark. The Sub Fund 1 will be managed by **Galloway Capital Gestora De Recursos Ltda.** (the “**Investment Manager**”). The Investment Manager will be advised by **Galloway Capital Management Ltd** (the “**Investment Advisor**”).

Classification of the Sub-Fund 1 under SFDR:

The Sub-Fund 1 is not a financial product subject to Article 8 or Article 9 of SFDR.

The Sub-Fund 1 does not have as its objective or commitment to invest in Sustainable Investment nor promotes ESG characteristics (*i.e.* ESG aspects, if any, are not binding for the investment decision process) for the purposes of article 8 and 9 of SFDR. The Sub-Fund 1 is subject to Article 6 of SFDR. As at the date of this Prospectus, the Principal Adverse Impacts are not considered within the investment process of the Sub-Fund 1 as the Sub-Fund 1 does not promote any environmental and/or social characteristics and there are risks of greenwashing and financial risks relating to greenwashing that the Sub-Fund 1 seeks to avoid. However, the Investment Manager considers Sustainability Risks relevant as a mean of identifying investment opportunities, managing and monitoring investment risk, and enhancing risk-adjusted returns for the Shareholders and therefore integrates ESG in the investment decisions as early as in their due diligence policies in order to maximize the long-term risk-adjusted return. Indeed, building more resilient portfolios linked to ESG and Sustainable Investments shall normally create more stable and higher long-term returns, but this cannot be guaranteed. Please refer to the section “ESG Risk” in the appendix 2 of the Prospectus “Risks of Investments”. For instance, before investing, the Investment Manager screens and scores companies against sustainability indicators including greenhouse gas emissions, energy performance, biodiversity, water utilisation, waste management, social and employee matters, social diversity, human rights and anti-corruption and bribery among others. The Investment Manager may exclude any investment that represents a low ESG score as well as any investment linked to a company that exposes high ESG controversies (such as involved in controversial sectors). When deciding whether ESG data are material for a particular investment, the Investment Manager shall evaluate the relevance of the information and the likely impact on the financial health of the investment in the context of the Sub-Fund 1’s investment strategy. However, the Investment Manager has the entire discretion in relation to method by which it integrates the Sustainability Risks into its investment selection decision and the final decision to select such an investment or not. There is no guarantee that the Investment Manager will select for the

account of the Sub-Fund 1 investments that are ESG aligned, or in the case that the Investment Manager does select such investments, that such investments will contribute to the positive performance of the Sub-Fund 1.

In addition of the foregoing, the Sub-Fund 1 may occasionally and partially invest in assets that are Sustainable Investments or has ESG objective with an environmental objective in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

Finally, the Investment Manager will also pay particular attention to the desire of the Shareholders to have ESG targets integrated in the future in the investment objectives. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Further details on the ESG policy and strategy of the Investment Manager are available on [www.galloway.com.br](http://www.galloway.com.br).

**There can be no assurance that the Sub-Fund 1's investment objective will be achieved. Past results of the Investment Manager or its respective principals, are not necessarily indicative of the future performance of the Sub-Fund 1.**

## **2.2 Investment Policy**

The Sub-Fund 1 will invest in accordance with and within the limit of the 2010 Law:

- a maximum of 40% of its Net Asset Value into Eurobonds giving exposure to Brazilian companies, governments and agencies;
- a maximum of 20% of its Net Asset Value into Eurobonds giving exposure to Russian companies, governments and agencies;
- a maximum of 40% of its Net Asset Value into Eurobonds giving exposure to Indian companies, governments and agencies;
- a maximum of 40% of its Net Asset Value into Eurobonds giving exposure to Chinese companies, governments and agencies<sup>2</sup>;
- a maximum of 20% of its Net Asset Value into Eurobonds giving exposure to companies, governments and agencies worldwide.

There is no specific restriction regarding the percentage of corporate and sovereign Eurobonds nor regarding the type of global fixed income instruments into which the Sub-Fund 1 may be invested at a time.

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<sup>2</sup> Investments are made only in euroclearable dollar-bonds that trade in major stock exchange (e.g. Hong Kong, New York, Singapore, etc.) issued by Chinese companies, and not in the Chinese local market itself.

The asset allocation of the Sub-Fund 1 is intended to be flexible and the Sub-Fund 1 will maintain the ability to switch exposure as market conditions and other factors dictate.

The Sub-Fund 1 may make investments in Russia, subject always to the 10% limit referred to in the “Risks involved in investing in Russia” section except for investment in securities listed on MICEX-RTS, which has been recognized as being a Regulated Market.

The Sub-Fund 1 may invest up to 20% of its net assets in CoCos.

The remaining part of the Sub-Fund 1’s assets (up to 25%) may be invested, to the full extent and within the limits set by law, in all eligible assets as defined under Article 41 of the 2010 Law, with no geographical constraint in accordance with Appendix I - “*Investment Restriction, Diversification and Loans*”. In particular the Sub-Fund 1 may invest into bank deposits, Money Market Instruments or money market funds for investment purpose, cash management or in case of unfavourable market conditions.

#### *Financial Derivatives Instruments*

In particular, the Sub-Fund 1 is authorised to use, on an ancillary basis, transactions in FDI (in particular but not limited to options, futures contracts, swaps (such as interest rate swaps and credit default swaps), forward commitments, including equivalent cash-settled instruments, dealt in on a Regulated Market or on an Other Regulated Market as referred to in article 41 (1), a), b), c) of the 2010 Law and/or OTC Derivatives), provided that:

- (i) the underlying consists of instruments covered by article 41(1) of the 2010 Law, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund 1 may invest according to its investment objectives:
  - the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund’s initiative.
- (ii) under no circumstances shall these operations cause the Sub-Fund 1 to diverge from its investment objectives.

For further details concerning FDI, please refer to Appendix III - “*Additional Information relating to FDIs and EPM Techniques*”.

To the extent permitted by the CSSF Circular 14/592 implementing the guidelines of the European Securities and Markets Authority (“**ESMA**”) on ETFs and other UCITS issues, the Sub-Fund 1 may use, on an ancillary basis, FDI for hedging purposes and for the purpose of EPM as well as for investment purposes.

EPM includes reduction of risk, reduction of cost, or generation of additional capital or income for the Sub-Fund 1 with an appropriate level of risk, taking into account the risk profile of the Sub-Fund 1 and related practices (for instance, maintaining 100% investment exposure while also keeping a portion of assets liquid to handle redemptions of shares and the buying and selling of investments). Transactions entered into for EPM must be economically appropriate, which implies that they are realised in a cost-effective way. EPM does not include any activities that create leverage at the overall portfolio level. It should be noted that in relation to EPM, the Sub-Fund 1 will not engage in SFTs. The Sub-Fund 1 may use, without being limited to, the following FDIs for EPM : call options, put options, swaps and futures on currencies etc.

All revenues arising from EPM Techniques, net of direct and indirect operational costs and fees, will be returned to the Sub-Fund 1. In particular, fees and cost may be paid to agents of the Fund and other intermediaries providing services in connection with EPM Techniques as normal compensation of their services. Such fees may be calculated as a percentage of gross revenues earned by the Fund through the use of such techniques and do not include hidden revenue.

**THE GEARING EFFECT OF USING SOME FDI AND THE VOLATILITY OF SUCH INSTRUMENTS MAY DETERMINE THE RISK OF INVESTMENT IN THE SUB-FUND 1 BE HIGHER THAN IN THE CASE OF CONVENTIONAL INVESTMENT POLICIES, THEREFORE APPENDIX II “RISKS OF INVESTMENTS” IN THE PROSPECTUS AND SECTION 17 “RISK WARNINGS” OF THIS SUPPLEMENT SHOULD BE CAREFULLY STUDIED BEFORE MAKING ANY INVESTMENT DECISION.**

#### *Borrowing policy*

As a general rule, the Sub-Fund 1 shall not borrow cash. However, should such a need occur, the Sub-Fund 1 could borrow provided that such borrowing is on a temporary basis and it represents no more than 10% of its assets (collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute “borrowings” for the purpose of this restriction).

In any event, the Sub-Fund 1 may acquire foreign currency by means of back-to-back loans. A "back-to-back" loan refers to the case whereby a UCITS borrows foreign currency in the context of the acquisition and safekeeping of foreign transferable securities and deposits with the lender, its agent or any other person designated by it, an amount in domestic currency equal to or greater than the amount borrowed.

#### *Investment restrictions*

The Sub-Fund 1 will not invest in structured products, assets issued by securitization vehicles, Mortgage Backed Securities (MBS) / Asset Backed Securities (ABS) / Total Return Swaps (TRS) / SFTs .

The aggregate investments by the Sub-Fund 1 in distressed or defaulted securities (*i.e.* securities which are highly vulnerable to non-payment and the rating of which is below "CCC" according to S&P's or the equivalent by any other agency) and defaulted (rated "D" by S&P's or the equivalent by any other agency) securities) would, under normal market conditions, typically represent no more than 10% of the Fund's net assets.

The Sub-Fund 1 may be invested up to 20% of its net assets in Ancillary Liquid Assets in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the 2010 Law or for a period of time strictly necessary in case of unfavourable market conditions. However, such 20% limit may be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors. In such case, the Sub-Fund 1 may be invested up to 100% in Ancillary Liquid Assets.

## 2.3 *Investment strategy and Investment process*

The Sub-Fund 1 uses a long only strategy which is mainly composed of emerging markets corporate, sovereign and fixed income Eurobonds.

Prior to investing in emerging markets corporate, sovereign and fixed income Eurobonds, the Investment Manager upon recommendation of the Investment Advisor will validate the investment ideas based on the multi-approach due diligence performed by the Investment Advisor. The approach followed by the Investment Advisor is mainly composed of 7 steps:

1. Country Macroeconomic Outlook	It is paramount for companies and/or sovereign issues to be in countries that have a positive growth outlook.
2. Geopolitics	Companies have to be aligned with local governments.
3. Sector	Thoughtful analysis to understand the sector's importance to the country (subsidies, too big to fail, too big to save, number of jobs created, etc); and its relative value to global peers.
4. Credit Metrics	The Investment Advisor looks at the company's leverage, its cash flow and ownership.
5. Local Network	The company and/or country has to be checked through our local network of contacts (sell and buy side).
6. Technical Analysis	There will be a careful selection of entry and exit points, new issuance outlook and relative value.
7. The Golden Rule	It is fundamental that the cost of a company/country not paying its obligations be "higher" than if it pays.

For the evaluation of credit risk and category, the Investment Manager relies on its own methodology and teams which incorporates, *inter alia* factors, rating issued by the main rating agencies. The downgrade of issuer rating by one or several rating agencies does not systematically result in the transfer or sale of the concerned securities. The Investment Manager relies on its internal evaluation to estimate the opportunity to keep securities in the Sub-Fund 1 or not. In such case, such securities will not be considered as investments into distressed or defaulted securities under normal market conditions.

#### *Sustainability Risks (Article 6 SFDR)*

The Board of Directors and the Investment Manager consider Sustainability Risks relevant as a means of identifying investment opportunities, managing investment risk, and enhancing risk-adjusted returns for the Shareholders and therefore integrates them in their investment decisions. Indeed, Sustainability Risks are environmental, social, or governance factors that pose a material risk to the value of the investment. When deciding whether ESG data are material for a particular investment, the relevance of the information and the likely impact on the financial health of the investment in the context of the Sub-Fund 1's investment strategy are evaluated. Risks are still managed in accordance with the risks related to bonds investments but with a particular focus on Sustainability Risks. However, the Board of Directors and the Investment Manager consider that as the legal and regulatory framework governing sustainable finance and ESG is still under development, Sustainability Risks may be developed over time along with the evolution of the investment objective, in light of the expected legal and regulatory framework. As the case may be, this Prospectus will be updated accordingly. The Board of Directors will also pay particular attention to the desire of the Shareholders of the Fund to have sustainable targets integrated in the future in the investment objectives.

As a consequence of the foregoing, Sustainability Risk analysis is integrated in the fundamentals and valuation analysis before selecting an investment, where relevant, and consequently may result in the Investment Manager to refrain to invest in target companies/issuers. Although, as mentioned above, due to the fact that Sustainability Risk is still under development certain investments may create Sustainability Risk despite the prior screening performed by the Investment Manager. The Investment Manager shall undertake its best efforts to mitigate the Sustainability Risk, whilst considering the investors best interests.

The investment objectives and strategies summarized herein represent the Board of Directors and the Investment Manager's current intentions with regard to the Sub-Fund 1.

**The discussion herein includes and is based upon numerous assumptions and opinions of the Investment Manager concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the investment strategy of the Sub-Fund 1 will achieve the intended investment objective. The Sub-Fund 1's investment program is speculative**

and involves a high degree of risk, including without limitation the risk of loss of the entire amount invested.

3. Offering					
Classes of Shares (registered Shares only)	ISIN	Minimum initial subscription*	Minimum subsequent subscription amount*	Minimum holding requirement	Type of Shares
<b>Class A Shares<sup>3</sup></b>	<b>LU1090153690</b>	USD 1,000.-	USD 1,000.-	N.A	Accumulation
<b>Class B (USD) ACC Shares</b>	<b>LU0972097231</b>	USD 100,000.-	USD 25,000.-	N.A	Accumulation
<b>Class B (USD) DISTR Shares</b>	<b>LU0972098551</b>	USD 100,000.-	USD 25,000.-	N.A	Distribution**
<b>Class B (CHF) Shares</b>	<b>LU1598480512</b>	CHF 100,000.-	CHF 25,000.-	N.A	Accumulation
<b>Class B (EUR) Shares</b>	<b>LU2085857899</b>	EUR 100,000.-	EUR 25,000.-	N.A	Accumulation
<b>Class C Shares</b>	<b>LU1090153773</b>	USD 3,000,000.-	USD 1,000,000.-	N.A	Accumulation
<b>Class Coupon Shares</b>	<b>LU1090153856</b>	USD 100,000.-	USD 25,000.-	N.A	Distribution***
<b>Class C (BRL) Shares</b>	<b>LU2228393604</b>	BRL 100,000	BRL 1,000	N.A.	Accumulation
<b>Class N Shares</b>	<b>LU2023184281</b>	USD 1,000.-	USD 1,000.-	N.A	Accumulation
<b>Class S Shares</b>	<b>LU1379429506</b>	USD 100,000.-	USD 25,000.-	N.A	Accumulation
<b>Class X Shares<sup>4</sup></b>	<b>LU2023183713</b>	USD 1,000.-	USD 1,000.-	N.A	Accumulation

\*The Board of Directors may waive the minimum amounts for the initial and subsequent subscriptions at its sole discretion. A redemption request which would reduce the value at such time of any holding to below such amount may be treated as a request to redeem the whole of such shareholding.

\*\*The Board of Directors intend to declare and pay a monthly dividend of zero point fifty percent (0.50%) of the Net Asset Value per Share in respect of Class B (USD) DISTR Shares.

\*\*\*For the Class Coupon Shares, the Board of Directors intends to declare and pay a monthly dividend equal to the sum of the amounts received in the Sub-Fund 1 in relation to the interest paid due to the investments into the Eurobonds during the month, proportionally to each Shareholder's position. The amount to be distributed is at the discretion of the Investment Manager.

<sup>3</sup> Class A1 Shares (LU10900153690) has been renamed as Class A Shares with effect as of 30 May 2022.

<sup>4</sup> Class F Shares (LU2023183713) has been renamed as Class X Shares with effect as of 30 May 2022.

The Class A2 Shares, Class B (USD) DISTR Shares, Class Coupon Shares and Class S Shares (together the “**Merging Classes**”) are a part of the Sub-Fund 1 as a result of the merger with other previously existing Sub-Funds, with the effective merger date on 5 June 2019. These Merging Classes have kept their track records and previous performance. Such previous performance shall be taken into consideration for the Merging Classes, especially for the reasons of calculation of the relevant fees. More details about the previous performance of the Merging Classes and its possible impact, if any, on the calculation of the fees, can be obtained upon request from the Management Company or by contacting Mr. Nathan Shor Gliksman at [nathan.shor@galloway.com.br](mailto:nathan.shor@galloway.com.br).

The Class B (USD) ACC Shares is the result of the merger of Class B (USD) ACC Shares (LU0972237696) (the “**Merged Class**”) into Class A2 Shares (LU0972097231) (the “**Receiving Party**”), with the effective merger date on 30 May 2022 (the “**Date of the Merger**”) followed by a name change into Class B (USD) ACC. The Receiving Party (LU0972097231) has kept its track records and previous performance, calculated on a series-by-series basis up to the Date of the Merger. More details about the previous performance of the Receiving Party and its possible impact, if any, on the calculation of the fees, can be obtained upon request from the Management Company or by contacting Mr. Nathan Shor Gliksman at [nathan.shor@galloway.com.br](mailto:nathan.shor@galloway.com.br).

## 3.1 Subscription

Investors may subscribe for Shares subject to the conditions set out under section 6.1 “Subscription, Redemption and Conversion of Shares” in the Prospectus. Subscriptions in kind may occur subject to the conditions set out under section 6.1.2 “Subscription of Shares” in the Prospectus. For the purpose of this Supplement, “**Shares**” means all shares in issue or to be issued from time to time in the Sub-Fund 1.

**Subscription Day** : Each Business Day

**Cut-Off Time for subscription**: 2.00 p.m. (Luxembourg time) on the relevant Valuation Day.

## 3.2 Swing Pricing adjustment for redemptions

While the Sub-Fund 1 will not charge a Redemption Fee, except for Class N Shares, the Fund may apply a swing adjustment, not exceeding 2% of the Net Asset Value per Share, in accordance with section 7.4.2 of the Prospectus, at its absolute discretion on each Redemption Day where there are redemptions. Such costs will be for the benefit of the Sub-Fund 1 and will reflect an approximation of current dealing and other costs associated with trading the redemption.

## 3.3 Redemption

Shareholders may redeem their Shares subject to the conditions set out under section 6.1 “Subscription, Redemption and Conversion of Shares” in the Prospectus. Redemptions in kind may occur subject to the conditions set out under section 6.1.3 “Redemption of Shares” in the Prospectus.

**Redemption Day** : Each Business Day

**Cut-Off Time for redemption**: 2.00 p.m. (Luxembourg time), three (3) Business Days prior to the relevant Valuation Day.

If Shares representing more than ten percent (10%) of the Net Asset Value of the Sub-Fund 1 are tendered in a given Redemption Day, the excess may be rolled forward to the next Redemption Day. To the extent that any application for redemption is not given full effect on such Redemption Day as a consequence of the foregoing paragraph, provided however that any scale back of an application for redemption must be made on a pro rata basis with other applications for redemptions validly received in respect of the same Redemption Day, such application shall be treated with respect to the unsatisfied balance thereof as if a further request had been made by the Shareholder in question (“**Gated Shareholders**”) in respect of the next Redemption Day and, if necessary, subsequent Redemption Days, until such application shall have been satisfied in full. The Gated Shareholder may however withdraw its Redemption Request within ten (10) Business Days after the relevant Redemption Day and only with the consent of the Board of Directors. With respect to any application for redemption received in respect of such Redemption Day, to the extent that subsequent applications shall be received in respect of following Redemption Days, such later applications shall be postponed in priority to the satisfaction of applications relating to such Gated Shareholder, but subject thereto shall be dealt with as set out above.

## 3.4 Transfer

Shareholders may transfer their Shares subject to the conditions set out under section 6.3 “Transfer of Shares” in the Prospectus and subject to the prior approval of the Board of Directors.

## 3.5 Conversion

At the end of each Performance Fee Calculation Period, Class A Shares having a positive performance may be converted into Class B Shares at the sole discretion of the Board of Directors, free of charge. For

the purpose of this Supplement, “**Class B Shares**” means the Class B (USD) DISTR Shares, Class B (USD) ACC Shares, the Class B (CHF) Shares and the Class B (EUR) Shares.

**Cut-Off Time for conversion:** 2.00 p.m. (Luxembourg time), three (3) Business Days prior to the relevant Valuation Day.

The Shareholders of this Sub-Fund may request to convert their Shares in one Class of Shares of this Sub-Fund into Shares of another Class of Shares of another Sub-Fund subject to the conditions set out under section 6.1 “Subscription, Redemption and Conversion of Shares” in the Prospectus. The Board of Directors may also propose to the Shareholders to convert their Shares into Shares of another Sub-Fund from time to time, if the Shareholders do not agree they will be automatically redeemed free of charge.

If as a result of any request for conversion made through the conversion application form, the number or the aggregate Net Asset Value of the Shares held by any Shareholder should fall below the minimum investment, the Fund reserves the right to reject any request for a conversion of Shares in whole or in part.

#### 4. Fees and expenses

Classes of Shares	Annual Management Fee <sup>5</sup>	Annual Advisory Fee <sup>6</sup>	Performance Fee	Placement Fee (maximum)	Redemption Fee
Class A Shares	1.01% per annum	0.99% per annum	20% of the increase in the Net Asset Value per Share	N/A	N/A
Class B	0.76% per annum	0.74% per annum	15% of the increase in the Net Asset Value per Share	N/A	N/A
Class C Shares	0.51% per annum	0.49% per annum	10% of the increase in the	N/A	N/A

<sup>5</sup> Calculated on the Net Asset Value on each Valuation Day and payable monthly in arrears to the Investment Manager

<sup>6</sup> Calculated on the Net Asset Value on each Valuation Day and payable monthly to the Investment Advisor

				Net Asset Value per Share		
Class C (BRL) Shares	0.51%	per annum	0.49%	per annum	10% of the increase in the Net Asset Value per Share	N/A
Class Coupon Shares	0.76%	per annum	0.74%	per annum	15% of the increase in the Net Asset Value per Share	N/A
Class N Shares	0.76 %	per annum	0.74%	per annum	15% of the increase in the Net Asset Value per Share	N/A
Class S Shares	0.76%	per annum	0.74%	per annum	15% of the increase in the Net Asset Value per Share	Yes. Please see section 'Redemption Fees' below.
Class X Shares	0.76%	per annum	0.74%	per annum	15% of the increase in the Net Asset Value per Share	up to 5%

The Investment Manager/Advisor may at its sole discretion waive the above-mentioned fees in whole or in part, in respect of all Shareholders of the same Class of Shares.

Regarding other fees and charges applicable to the Fund, please see section 10 of the Prospectus.

### **Redemption Fees:**

Shareholders who request to redeem their Class N Shares prior to a retention period of five years (the “**Maturity Date**”) may be subject to an early redemption fee (the “**Early Redemption Fee**”) paid to a Distributor, as set out in the table below, for the purpose of investor retention and loyalty, which is deducted from the redemption amount of Shares before payment out of the redemption proceeds. The Distributor is entitled to waive in whole or in part the Early Redemption Fee.

<b>Years of retention of Class N Shares</b>	Less than 1 year from Subscription Day	Less than 2 years from Subscription Day	Less than 3 years from Subscription Day	Less than 4 years from Subscription Day	Less than 5 years from Subscription Day	More than 5 years from Subscription Day
<b>Early Redemption Fee</b>	2.5 %	2 %	1.5 %	1 %	0.5 %	0%

## **Performance Fees:**

### **Summary:**

The Investment Manager is entitled to receive from the net assets of the Sub-Fund 1 attributable to each Share a Performance Fee in addition to other fees and expenses mentioned in this Prospectus. The same methodology applies for all Classes of Shares.

The Performance Fee is calculated on the basis of the performance of the Class of Shares of the Sub-Fund 1, rather than on the basis of an individual shareholder's holdings of Shares. If the Performance Fee had been calculated on the basis of an individual shareholder's holdings of Shares it may, in some circumstances, produce a different result.

The Performance Fee will be equal to a specific percentage depending of the Class of Shares, as reflected in the above table, of the increase in the Net Asset Value per Share outstanding in respect of each Performance Fee Calculation Period, subject to a High Water Mark, and will be calculated as described below.

### **Performance fee calculation period and computation frequency:**

The Performance Fee will be calculated in respect of each quarter beginning on the first calendar day of the relevant quarter and ending on the last calendar day of the relevant quarter (a "**Performance Fee Calculation Period**").

The first Performance Fee Calculation Period in relation to each Class of Shares is the period commencing on the date on which the relevant Class of Shares of the Sub-Fund 1 first becomes invested, and ending

on the last Valuation Day of the relevant quarter. Performance Fees, if any, should be crystallised on the last Valuation Day of the next quarter with a minimum period of 3 months from the creation of a Class of Shares. In the event that a Class of Shares subsequently becomes disinvested, then the current Performance Fee Calculation Period for such Class of Shares will terminate on the date of such disinvestment and a new Performance Fee Calculation Period will restart as defined for each method of calculation at the date on which such Class of Shares subsequently becomes reinvested.

The Performance Fee will be calculated and deemed to accrue as at each Valuation Day and will be payable to the Investment Manager in arrears within fourteen (14) calendar days of the end of each Performance Fee Calculation Period. However, in the case of Shares redeemed or converted during a Performance Fee Calculation Period, the accrued Performance Fee in respect of those Shares will be payable after the date of redemption or conversion. In the event of a partial redemption, whether during or at the end of a Performance Fee Calculation Period, Shares will be treated as redeemed out of the Shareholder's pool of Shares. The Investment Manager may at its sole discretion waive the Performance Fee in whole or in part, in respect of all Shareholders of the same Class of Shares. Accordingly, once the Performance Fee has crystallized no refund will be made in respect of any Performance Fee to be paid out at that point in subsequent Performance Fee Calculation Periods.

Crystallisation:

Crystallisation of the Performance Fee occurs on the last day of each Performance Fee Calculation Period. Any Performance Fee due is payable out of the Sub-Fund 1 to the Investment Manager in arrears after the end of the Performance Fee Calculation Period. Accordingly, once the Performance Fee has crystallised no refund will be made in respect of any Performance Fee paid out at that point in subsequent Performance Fee Calculation Periods. If a shareholder redeems or converts all or part of his Shares before the end of the Performance Fee Calculation Period, any accrued Performance Fee with respect to such redeemed Shares will crystallise on that Redemption Day or Conversion Day and will then become payable to the Investment Manager.

If the Investment Management Agreement is terminated before the end of any Performance Fee Calculation Period, the Performance Fee in respect of the then current Performance Fee Calculation Period will be calculated and paid on a pro rata basis as though the date of termination was the end of the relevant period, respecting the crystallization principle as described above, in accordance with the ESMA Guidelines on performance fees in UCITS and certain types of AIFs.

In case of closure/merger of the Sub-Fund 1, Performance Fees, if any, should crystallise in due proportions on the date of the closure/merger. In case of merger of the Sub-Fund 1, the Crystallisation of the Performance Fees of the merging fund should be authorised subject to the best interest of investors of both the merging and the receiving the sub-fund /fund.

Performance cap:

There is no maximum cap to the amount of Performance Fee that may be charged as this is determined by the rate of the performance growth. The Auditor of the Fund will audit the calculations of the Performance Fees paid out on an annual basis. The Board of Directors shall ensure that the accrual represents fairly and accurately the performance fee liability that may eventually be payable by the Sub-Fund or Class of Shares to the Investment Manager.

Performance reference indicator:

The “**High Water Mark**” means the higher of (a) the Net Asset Value at launch of a Class of Shares or (b) of the Net Asset Value of the relevant Class of Shares used to calculate any previous payment of a Performance Fee.

For the Merging Classes (as defined above) the High Water Mark can refer to the value before the effective date of merger, i.e. 5 June 2019, when any such Class of Shares has been a part of other previously existing Sub-Fund and has not yet become a part of the Sub-Fund 1.

For the Class B (USD) ACC Shares (LU0972097231), the High Water Mark refers to the value before the effective Date of the Merger of the Receiving Party (as defined above).

The use of a High Water Mark ensures that investors will not be charged a Performance Fee until any previous losses are recovered.

Performance reference period:

The performance reference period is equal to the whole life of the Sub-Fund 1.

Performance fee methodology:



The Investment Manager will be entitled to receive a Performance Fee calculated at the Class of Shares level using an unequalized performance fee calculation methodology. This method of calculation does not apply any form of Performance Fee equalization at the individual Shareholder level. However, for such Classes of Shares, a specific mechanism is implemented (the “**Subscription Adjustment**”), consisting of removing, from the provision for the Performance Fee calculated on the number of shares outstanding, the Performance Fee related to the shares subscribed in the period prior to the subscription date. Thus, for these newly subscribed shares, no Performance Fee will be provisioned for the performance prior to the subscription date.

The Performance Fee will be taken into account in the calculation of the Net Asset Value on each Valuation Day (accrual basis) as the difference between the current day NAV and that of the prior day NAV on the previous Valuation Day for that Class of Shares compared to the last High Water Mark. A separate performance fee calculation is carried out in respect of each Class of Shares. Dividend distributions paid out, if any, shall not be deemed to impact the performance of that relevant Class of Shares.

The “**current day NAV**” means the Net Asset Value of each Share in a particular Class of Shares in the Sub-Fund 1 after all regularly accruing charges and expenses have been accrued to the Sub-Fund 1 but before any Performance Fee has been accrued on the current Valuation Day (i.e the “Gross Asset Value”).

The “**prior day NAV**” means the Net Asset Value of each Share in a particular Class of Shares in the Sub-Fund 1 after the Performance Fee and all other regularly accruing charges and expenses have been accrued to the Sub-Fund 1 on the previous Valuation Day.

Therefore, the Performance Fee is based on net realized and net unrealized gains and losses as at the end of each calculation period and, as a result, a Performance Fee may be paid on unrealized gains which may subsequently never be realized. For sake of clarity, the excess performance is calculated net of all costs. The Performance Fee is based on the appreciation of the Net Asset Value of the Shares over the previous High Water Mark multiplied by the number of Shares in issue at the end of the related Performance Fee Calculation Period for each Class of Shares.

The cumulative Performance Fee accruals from the beginning of the Performance Fee Calculation Period will be included in the ongoing calculation of the Net Asset Value per Share.

The Investment Manager shall receive a Performance Fee equal to the percentage described above in the table of the amount by which the Gross Asset Value exceeds the High Water Mark.



The Fund ensures equal treatment of all the Shareholders in respect of the calculation and, as the case may be, payment of the Performance Fee.

Example:

For instance, assuming (i) a Class of Shares has a Net Asset Value of 100 USD with a 15% Performance Fee and (ii) such Net Asset Value is the High Water Mark (HWM), if the subsequent Net Asset Value is above the High Water Mark, e.g. 110 USD, a Performance Fee of 15% is calculated on 10 USD.

Please find below 4 following hypothetical years as examples:

- 1) Quarter 1: HWM = 100 USD. The subsequent NAV is 110 USD. The Sub-Fund 1 had a positive performance. The Performance Fee is calculated as 15% of 10 USD (i.e. 110 USD - 100 USD) which is 1.5 USD, and the new HWM will be 110 USD.
- 2) Quarter 2: HWM = 110 USD. The subsequent NAV is 90 USD. There is no Performance Fee since the negative performance. The HWM remains 110 USD.
- 3) Quarter 3: HWM = 110 USD. The subsequent NAV is 102 USD. Despite the fact that the Sub-Fund 1 has a positive performance, the NAV is below the HWM. Therefore, no Performance Fee is charged, and the HWM remains 110 USD.
- 4) Quarter 4: HWM = 110 USD. The subsequent NAV is 120 USD. The Sub-Fund 1 had a positive performance. The Performance Fee is calculated as 15% of 10 USD (i.e. 120 USD – 110 USD) which is 1.5 USD, and the new HWM will be 120 USD.

## 5. Risk warnings linked to the investment policy of the Sub-Fund 1

BEFORE DETERMINING WHETHER TO INVEST IN THE SUB-FUND 1, PROSPECTIVE INVESTORS SHOULD EVALUATE WHETHER THEY ACCEPT THE BELOW MENTIONED RISKS WHICH THEY WILL ASSUME BY BUYING SHARES OF SUB-FUND 1. THE BELOW LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS AND THE RELEVANT SUPPLEMENT AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM TO BE NECESSARY BEFORE DETERMINING TO INVEST IN THE SUB-FUND 1.

The Sub-Fund 1 invests in emerging markets countries and is exposed to higher risks than in developed countries.

Investors are advised to carefully consider the risks of the Sub-Fund 1 and should refer in relation thereto to the Appendix II - “*Risks of Investments*” in the Prospectus where the risks are further described and in particular but not limited to the following risks:

1. Credit Risk	2. Interest Rate risk	3. Concentration Risk	4. Liquidity Risk
5. Counterparty Risk	6. ESG Risks	7. Volatility Risk	8. Settlement Risk
9. Risks involved in investing in India	10. Risks involved in investing in Russia	11. Risks involved in investing in China	12. Risks involved in investing in Brazil
13. Emerging Markets Risk	14. Restrictions on Foreign Investment	15. Financial Derivative Instruments Risks	16. Currency Exchange Risk
17. Risk Regarding Hedged Class of Shares	18. Funds Investing in Lower Rated, Higher Yielding Debt Securities Funds Investing in Lower Rated, Higher Yielding Debt Securities and/ or distressed securities	19. Performance based compensation to the Investment Manager	20. CoCos Risk



***Risks Related to Hedged Class C (BRL) Shares***

More specifically, the Net Asset Value of the hedged Class C (BRL) Shares will be affected by changes in the exchange rate between BRL and the base currency of the Sub-Fund 1 and as a result performance may vary significantly from other Classes of Shares within the Sub-Fund 1.

The growth of the importance of risk management lies in the volatility of financial variables, among them, there is the exchange rate.

After consecutive years of economic instability and increasing inflation, Brazil underwent a process of monetary and exchange rate reform in 1994, during which time the real plan was instituted, and since then the BRL has become the official currency of Brazil. Thus, the BRL consists of a floating exchange rate regime, that is, a regime that allows the existence of appreciations and depreciation of the currency, leading to exchange rate volatility. Volatility is a significant input parameter in the approach to options, both financial and real assets. Furthermore, investors should be aware that the volatility of the BRL has increased substantially during 2020.

Investors should also be aware that foreign exchange inflows and outflows for the Brazilian market are subject to IOF tax (Tax on Financial Operations) as detailed in the Brazilian Presidential Decree no. 6.306/10 and as amended from time to time. Any additional increases in the IOF tax might reduce the Net Asset Value per Share.

## Appendix I Investment Restriction, Diversification and Loans

### 1. General

The investment policy of each Sub-Fund is based upon the principle of risk spreading and shall, except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund under the relevant Supplement, comply with (i) the rules and restrictions laid down in particular in the 2010 Law, (ii) the relevant CSSF circulars and (iii) within the investment restrictions described hereafter.

### 2. Investment Restrictions

2.1 In accordance with the principle of risk diversification as set out in Article 41 of the 2010 Law, the Fund and its Sub-Fund may invest solely in:

- (a) Transferable Securities and Money Market Instruments admitted to or dealt in on a Regulated Market;
- (b) Transferable Securities and Money Market Instruments dealt in an Other Regulated Market in a Member State;
- (c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State;
- (d) recently issued Transferable Securities and Money Market Instruments, provided that:
  - the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market or to an Other Regulated Market as described above under (a), (b) or (c);
  - the admission is secured within one year of issue;
- (e) units of UCITS authorised according to UCITS Directive and/or other UCIs, whether or not established in a Member State or in an Other State provided that:
  - such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in "EU law", and that cooperation between authorities is sufficiently ensured;
  - the level of protection for unit-holders/shareholders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;

- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;

- (f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve (12) months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

- (g) FDIs, in particular but not limited to swaps, options and futures, including equivalent cash-settled instruments, dealt in on a regulated market referred to in points (a), (b) and (c) above and/or OTC Derivatives, provided that:

- the underlying consists of instruments covered by the sub-paragraphs (a) to (f) above, financial indices, interest rates, foreign exchange rates or currencies, in which a Sub-Fund may invest according to its investment objectives as stated in the relevant Supplement;

- the counterparties to OTC Derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and

- the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis, and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund initiative;

Under no circumstances shall such operations cause the relevant Sub-Fund to diverge from its investment objectives.

- (h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market to the extent that the issuer or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank or an Other State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or

- issued by an undertaking any securities of which are dealt in on regulated markets referred to in points (a), (b) or (c) above; or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance

with the Directive 2013/34, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

2.2 The Fund and its Sub-Fund shall not, however:

- (a) invest more than 10% of its assets in Transferable Securities or Money Market Instruments other than those referred to in paragraph 2.1 above;
- (b) acquire either precious metals or certificates representing them.

The Fund and its Sub-Fund may hold Ancillary Liquid Assets. Such Ancillary Liquid Assets are limited to deposits at sight with banks. The holding of such Ancillary Liquid Assets is limited to 20% of the net assets of a UCITS in accordance with article 43(1) of the 2010 Law. Such 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors of the Fund.

2.3 The Fund and its Sub-Fund may acquire movable and immovable property which is essential for the direct pursuit of its business.

2.4 The Sub-Funds shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, the future market movements and the time available to liquidate the positions. The Sub-Fund may invest, as part of its investment policy as mentioned in the relevant Supplement, and within the limits laid down in section 3.1.6 in FDI, provide that the exposure to the underlying assets does not exceed in aggregate the investments limits laid down in section 3.1. When a Sub-Fund invests in index-based FDI, those investments are not required to be combined for the purposes of the limits laid down in section 3.1. When a transferable security or Money Market instruments embeds a derivative instruments, the derivative instruments shall be taken into account when complying with the requirements of the article 42 of the 2010 Law.

THE USE OF FDI MAY BE CARRIED OUT MAINLY FOR THE PURPOSES OF HEDGING AND INVESTMENT. THE GEARING EFFECT OF USING SOME FDI AND THE VOLATILITY OF SUCH INSTRUMENTS MAY DETERMINE THE RISK OF INVESTMENT IN ANY SUB-FUND BE HIGHER THAN IN THE CASE OF CONVENTIONAL INVESTMENT POLICIES, THEREFORE APPENDIX II AND APPENDIX III OF THE PROSPECTUS BE CAREFULLY STUDIED BEFORE MAKING ANY INVESTMENT DECISION.

## 3. Investment Diversification

### 3.1 General Rules

3.1.1 In accordance with the principle of risk diversification as set out in Article 43 of the 2010 Law, a Sub-Fund is not permitted to invest more than 10% of its assets in Transferable Securities or Money Market Instruments issued by the same body (and in case of credit linked securities, both the issuer of the credit linked securities and the issuer of the underlying securities). In addition, a Sub-Fund may not invest more than 20% of its assets in deposits made with the same body. The risk exposure to a counterparty of the Sub-Fund in an OTC Derivative transaction may not exceed 10% of its assets when the counterparty is a credit institution referred to in section 2.1. (f) above, or 5% of its assets in other cases.

3.1.2 The total value of the Transferable Securities and Money Market Instruments held by a Sub-Fund in the issuing bodies in each of which it invests more than 5% of its assets shall not exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC Derivative transactions made with financial institutions subject to prudential supervision. Notwithstanding the individual limits laid down in this paragraph, a Sub-Fund shall not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:

- investments in Transferable Securities or Money Market Instruments issued by that body;
- deposits made with that body; or
- exposures arising from OTC Derivative transactions undertaken with that body.

3.1.3 The 10% limit set forth in paragraph 3.1.1 may be raised to a maximum of 35% for Transferable Securities and Money Market Instruments which are issued or guaranteed by a Member State or its public local authorities, by an Other State, or its public international bodies of which one or more Member States belong.

3.1.4 The 10% limit set forth in paragraph 3.1.1 may be raised to a maximum of 25% for certain bonds where they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. Furthermore, if investments by a Sub-Fund in such bonds with one and the same issuer represent more than 5% of the assets, the total value of these investments may not exceed 80% of the assets of the corresponding Sub-Fund.

3.1.3 The risk exposure to a counterparty of a Sub-Fund in an OTC Derivative transaction may not exceed:

- 10% of its Net Asset Value when the counterparty is a credit institution referred to in section 2.1.f), or

- 5% of its Net Asset Value, in other cases.

3.1.5 Transferable Securities and Money Market Instruments which fall under the special ruling given in paragraphs 3.1.3 and 3.1.4 are not counted when calculating the 40% risk diversification ceiling mentioned in paragraph 3.1.2.

3.1.6 The limits provided for in paragraphs 3.1.1 to 3.1.4 shall not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with paragraphs 3.1.1 to 3.1.4 shall under no circumstances exceed in total 35% of the assets of a Sub-Fund.

3.1.7 Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34 or in accordance with recognized international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in this section 3.1.

3.1.8 The Sub-Fund may invest, on a cumulative basis, up to 20% of its assets in Transferable Securities and Money Market Instruments within the same group.

## 3.2 Exceptions

3.2.1 Without prejudice to the limits laid down in section 3.4 below, the limits laid down in section 3.1 above are raised to a maximum of 20% for investment in shares and/or Debt Securities issued by the same body, when, according to the Articles and the Supplement relating to a particular Sub-Fund, the investment objective of that Sub-Fund is to replicate the composition of a certain stock or debt securities index which is recognized by the CSSF, on the following basis:

- Its composition of the index is sufficiently diversified;
- The index represents an adequate benchmark for the market to which it refers;
- It is published in an appropriate manner.

3.2.2 The above 20% limit may be raised to a maximum of 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

3.2.3 By way of derogation from the section 3.1, the CSSF may authorize, from time to time, a Sub-Fund to invest in accordance with the principle of risk-spreading up to 100% of its assets in different Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, an Other State or public international body to which one or more Member States belong. These Sub-Fund shall hold securities from at least six different issues, but securities from any single issue shall not account for more than 30% of its total assets. As the case may, such authorization will be disclosed in

the relevant Supplement if a Sub-Fund obtains this authorization. The Articles will be updated to indicated the States, local public authorities or public international bodies issuing or guaranteeing securities in which the Sub-Fund intends to invest more than 35% of its assets.

### **3.3 Investment in UCITS and/or other UCI**

3.3.1 A Sub-Fund may acquire the units of UCITS and/or other UCI referred to in section 2.1. e) hereabove, provided that no more than 20% of its assets are invested in units of a single UCITS or other UCI. For the purpose of the application of this investment limit, each sub-fund of a UCI with multiple compartments (within the meaning of the article 181 of the 2010 Law) is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments *vis-à-vis* third parties is ensured.

3.3.2 Investments made in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the assets of the Sub-Fund. When a Sub-Fund has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or UCIs do not have to be combined for the purposes of the limits laid down in section 3.1 as described above.

3.3.3 Where a Sub-Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or other company may not charge subscription or redemption fees on account of the Sub-Fund investment in the units of such other UCITS and/or other UCIs. A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in its Supplement the maximum level of the Management Fees that may be charged both to the Sub-Fund and to the other UCITS and/or other UCIs in which it intends to invest. The maximum proportion of Management Fees charged both to the Sub-Fund and to the UCITS and/or other UCIs in which it invests will be indicated in the annual report.

3.3.4 If a Sub-Fund invests a substantial proportion of its asset in other Sub-Fund and/or UCIS, the maximum level of the Management Fees that may be charged both to the investing Sub-Fund itself and to the target Sub-Fund and/or other target UCIs in which it intends to invest will be disclosed in the Supplement of the investing Sub-Fund. In addition, in the annual report of the Fund, such maximum proportion of Management Fees charged both to the investing Sub-Fund and to the target Sub-Fund and/or other target UCIs in which it invests shall be indicated.

3.3.5 Subject to the provisions of the Supplement of a specific Sub-Fund, a Sub-Fund may subscribe, acquire and/or hold securities to be issued or issued by one or more other Sub-Funds, under the condition, however, that:

- the target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this target Sub-Fund; and
- no more than 10% of the assets of the target Sub-Fund whose acquisition is contemplated may be invested pursuant to the Articles in units of other target Sub-Fund; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund concerned and without prejudice to the appropriate processing in the accounts and the period reports; and
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law.

## 3.4 Investment Prohibition

3.4.1 Pursuant to the 2010 Law, the Management Company is not permitted to use the funds it manages to acquire voting rights shares that enable it to exercise considerable influence on the management of an issuing body.

3.4.2 The Sub-Funds are prohibited from acquiring more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the Debt Securities of the same issuer;
- 10% of the Money Market Instruments issued of any single issuer; or
- 25% of the units of the same UCITS and/or other UCIs.

3.4.3 The limits laid down in 3.4.2 b), c) and d) may be disregarded at the time of acquisition if at that time the gross amount of the bonds or of the Money Market Instruments, or the net amount of the instruments in issue, cannot be calculated.

3.4.4. Sections 3.4.1, 3.4.2 and 3.4.3 are waived as regards:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by an Other State;
- Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States of the European Union are members;
- shares held by a Sub-Fund in the capital of a company incorporated in a third country of the European Union which invests its assets mainly in the securities of issuing bodies having their registered office in that state, where under the legislation of that state, such a holding represents the only way in which a Sub-Fund can invest in the securities of issuing bodies of that state. This derogation, however, shall apply only if in its investment policy the company from the third country of the European Union complies with the limits laid

down in section 3.1 and 3.3 and 3.4.1 and 3.4.2. Where the limits set in section 3.1 and 3.3 are exceeded, section 3.5 shall apply *mutatis mutandis*;

(e) shares held by one or more investment companies in the capital of subsidiary companies which, carry on the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at the request of unit-holders exclusively on its or their behalf.

3.4.5. The Fund and its Sub-Funds shall not;

a) carry uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments referred to in Section 2.1 e), g) and h).

b) invest in loans;

c) invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

## 3.5 Derogations

3.5.1 The Sub-Fund needs not comply with the limits laid down in this Appendix I when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of their assets. While ensuring observance of the principle of risk-spreading, newly authorized Sub-Fund may derogate from section 3.1, 3.2, and 3.3 for six months following the date of their authorization.

3.5.2 If the limits referred to in 3.5.1 are exceeded for reasons beyond the control of the Sub-Fund or as a result of the exercise of subscription rights, it shall adopt as a priority objective for its sales transaction the remedying of that situation, taking due account of the interests of the Shareholders.

## 4. Borrowing

4.1 As a general rule, the Fund shall not borrow.

4.2 However, a Sub-Fund may acquire foreign currency by means of a “back-to-back” loan.

4.3 By way of derogation of the section 4.1, a Sub-Fund may borrow provided that such borrowing is:

a) on a temporary basis and represents no more than 10% of the assets of the Sub-Fund; or

b) to enable the acquisition of immovable property essential for the direct pursuit of its business and represents no more than 10% of its assets.

4.4 In case a Sub-Fund is authorized to borrow under conditions 4.3 a) and b), such borrowing shall not exceed 15% of its assets in total.

## 5. Loans

5.1 Without prejudice to the application of section 3.2, the Fund shall not grant loans or act as a guarantor on behalf of third parties. This restriction shall not prevent the Fund from acquiring Transferable Securities and Money Market Instruments or other financial instruments referred to in Section 2.1. e), g), h) which are not fully paid.

## 6. Encumbrances

6.1 The respective Sub-Fund's assets may not be bonded or otherwise encumbered, be transferred or assigned for collateral, unless funds are borrowed within the meaning of Section 4.3 above, or be used as security relating to the processing of transactions in financial instruments.

## Appendix II Risks of Investments

**BEFORE DETERMINING WHETHER TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD EVALUATE WHETHER THEY ACCEPT THE BELOW MENTIONED RISKS WHICH THEY WILL ASSUME BY BUYING SHARES OF THE RELEVANT SUB-FUND. THE BELOW LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING.**

**PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE PROSPECTUS AND THE RELEVANT SUPPLEMENT AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM TO BE NECESSARY BEFORE DETERMINING TO INVEST IN THE SUB-FUND.**

### 1. General

The following statements are intended to inform Shareholders of the uncertainties and risks associated with investments and transactions in Transferable Securities, Money Market Instruments, structured financial instruments and other FDIs. Shareholders should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. Past performance is not necessarily a guide to future performance. Where the currency of the relevant Fund varies from the Shareholder's home currency, or where the currency of the relevant Sub-Fund varies from the currencies of the markets in which the Sub-Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Shareholder greater than the usual risks of investment.

Investors should be aware that there are risks inherent in the holding of securities:

- (a) There is no assurance that any appreciation in the value of the portfolio will occur, or that the investment objectives of any Sub-Fund will be achieved. Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full;
- (b) The tax treatment of the Sub-Funds may change and such changes cannot be foreseen;
- (c) Where regular investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment; and
- (d) The difference at any one time between Subscription and Redemption Prices for Shares means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.

## 2. Investment Objectives and Performance

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro-economic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for the Fund.

The investment performance of each Sub-Fund is directly related to the investment performance of the underlying investments held by such Sub-Fund. The ability of a Sub-Fund to meet its investment objective depends upon the allocation of the Sub-Fund's assets among the underlying investments and the ability of an underlying investment to meet its own investment objective. It is possible that an underlying investment will fail to execute its investment strategies effectively. As a result, an underlying investment may not meet its investment objective, which would affect the Sub-Fund's investment performance.

The past performance of a Sub-Fund if any or any other investment vehicle managed by the Investment Manager or any of its affiliates is not indicative of the potential future performance of such Sub-Fund. The nature of, and risk associated with, a Sub-Fund may differ substantially from those investments and strategies undertaken historically by the Investment Manager, its affiliates or such Sub-Fund. In addition, market conditions and investment opportunities may not be the same for a Sub-Fund as they had been in the past, and may be less favourable. Therefore, there can be no assurance that a Sub-Fund's assets will perform as well as the past investments managed by the Investment Manager or its affiliates (including, if applicable, such Sub-Fund). It is possible that significant disruptions in, or historically unprecedented effects on, the financial markets and/or the businesses in which a Sub-Fund invests in may occur, which could diminish any relevance the historical performance data of such Sub-Fund may have to the future performance of such Sub-Fund.

## 3. Regulatory

The Fund is domiciled in Luxembourg and Shareholders should note that all the regulatory protections provided by their local regulatory authorities may not apply.

Additionally, the Fund may be registered in non-EU jurisdictions. As a result of such registrations, the Fund may be subject to more restrictive regulatory regimes. In such cases, the Fund will abide by these more

restrictive requirements. This may prevent the Fund from making the fullest possible use of the investment limits.

#### **4. Segregation of Liabilities between Sub-Funds**

The assets of each Sub-Fund will not be available to meet the liabilities of another. However, the Fund is a single legal entity which may operate or have assets held on behalf of or be subject to claims in other jurisdictions which may not necessarily recognize separate portfolios and, in such circumstances, the assets of one Sub-Fund may be exposed to the liabilities of another.

#### **5. Effect of Sales**

Where a sales charge is imposed, an investor who realizes his/her/its Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realize the amount originally invested.

#### **6. Suspension of Share dealings**

Shareholders are reminded that in certain circumstances their right to redeem or convert Shares may be suspended (see Section 7.4.3 “Temporary Suspensions of the Calculation” of the main part).

#### **7. Disclosure of Information**

Upon enquiry, Shareholders may obtain specific information about the Fund and its Sub-Funds at the registered office of the Investment Manager or of the Fund. Having provided any requested information, the Investment Manager is not required to provide, at its own initiative, all other Shareholders with the same information. Accordingly, certain Shareholders may invest on terms that provide access to information that is not generally available to the other Shareholders and, as a result, may be able to act on such additional information.

#### **8. Termination Risk**

The Fund or its Sub-Funds may be terminated under certain conditions and in the manner specified in Section 7.5 (Merger or Liquidation of Sub-Funds) and Section 7.6 (Liquidation of the Fund). It is possible that at the time of such termination, certain investments may be worth less than their acquisition cost,

resulting in Shareholders having to realize an investment loss and/or being unable to recover an amount equal to their original capital invested.

## 9. Liquidity Risk

The Sub-Fund may be adversely affected by a decrease in market liquidity for the securities in which it invests which may impair the Sub-Fund's ability to execute transactions. In such circumstances, some of the Sub-Fund's securities may become illiquid which may mean that the Sub-Fund may experience difficulties in selling securities at a fair price within a timely manner.

The Sub-Funds that invest in bonds or other fixed income instruments may also be exposed to risks in the event of sudden asset price shocks. In case of low trading volume on bond markets, any buy or sell trade on these markets may lead to significant market variations/fluctuations that may impact your portfolio valuation. In such circumstances, the Sub-Fund may be unable to unwind positions readily due to insufficient buyers or sellers.

In order to ensure that each Sub-Fund is able to comply at all times with the 2010 Law and UCITS regulations and meets its redemption obligations, all Sub-Funds are subject to liquidity monitoring in both normal and stress test conditions. Each Sub-Fund is tested as and when required, but at least on a weekly basis, to check whether it has sufficient liquid assets to cover the estimated largest possible outflow.

If a Sub-Fund would not be able to cover its Redemption Requests timeously by the sale of securities in the market, the following options can be considered by the Fund in the Shareholder's interest:

- The relevant Sub-Fund may temporarily borrow up to 10% of its value to cover liquidity constraints;
- The relevant Sub-Fund may use swing pricing to recoup transaction and trading costs as a result of excessive outflows (as defined in Section 7.4.2 "Net Asset Value Adjustment" of the main part of the Prospectus (or the **"Swing Pricing Mechanism"**)),
- the Fund may limit the total number of Shares in the relevant Sub-Fund which may be redeemed on any Business Day to a number representing 10% of the Net Asset Value under management of the relevant Sub-Fund,
- Lastly, the Fund may suspend trading in exceptional circumstances (as defined in section 7.4.3 "Temporary Suspension of the Calculation" of the main part of the Prospectus).

However, there is no guarantee that the mitigation of the liquidity risk can be achieved.

## 10. Currency Exchange Risk

A Sub-Fund's assets may be invested in securities denominated in currencies other than the base currency of the Sub-Fund. The Sub-Fund may be adversely impacted by changes in exchange rates between such securities and the base currency of the Sub-Fund.

Changes in exchange rates may also adversely impact any income earned on these investments which may be subject to the same exchange rate risk.

Where a Sub-Fund seeks to hedge or protect against exchange rate risk, there is no guarantee that the exchange rate risk will be fully hedged. Investors should also note that the successful implementation of the hedge may substantially reduce the benefit to the Sub-Fund of exchange rate movements which would have otherwise benefitted the Sub-Fund.

To the extent that a Shareholder's reference currency differs to the currency in which the Sub-Fund's assets are denominated, the Shareholder may be subject to exchange rate risks which are not considered by the Investment Manager as developed in section "Risk Regarding Hedged Classes of Shares" below.

## 11. Risk Regarding Hedged Classes of Shares

With hedged Classes of Shares, the risk of an overall depreciation of the Sub-Fund's base currency against the alternate currency of the Class of Shares is reduced significantly by hedging the Net Asset Value of the respective Class of Shares - calculated in the Sub-Fund's base currency – against the respective alternate currency by means of the FDIs as mentioned in the relevant sections of the Prospectus. Consequently, it is the currency of the hedged Classes of Shares that is hedged against the base currency rather than the investment currencies of the Sub-Fund's portfolio. This may result in the hedged Class of Shares being over or under-hedged at any one time against the investment currencies of the Sub-Fund's portfolio.

Therefore, costs incurred in the Class of Shares hedging process are borne solely by the hedged Class of Shares concerned.

Investors should be aware that certain market events or circumstances could result in the Investment Manager no longer being able to perform hedging transactions for a hedged Class of Shares or that such hedging may no longer be economically viable.

Furthermore, to the extent that a Shareholder's reference currency differs to the currency in which the Sub-Fund's assets are denominated, the Shareholder may be subject to exchange rate risks which are not considered by the Investment Manager.

Additionally, there is a spill-over risk relating to hedged Classes of Shares. Indeed, as there is no legal segregation of assets and liabilities between different Classes of Shares in the same Sub-Fund, there is a risk that, under certain circumstances, hedging transactions relating to currency hedged Classes of Shares could have an adverse impact on other Classes of Shares in the same Sub-Fund. Although spill-over risk will be mitigated, it cannot be fully eliminated, as there may be circumstances where it is not possible or practical to do so. For example, where the Sub-Fund needs to sell securities to fulfil financial obligations specifically related to a currency hedged Classes of Shares which may adversely affect the Net Asset Value of the other Classes of Shares in the Sub-Fund.

## **12. Market and Sub-Fund Suspension Risk**

A Sub-Fund may invest in securities listed on a Regulated Market. Trading on a Regulated Market may be halted or suspended due to market conditions, technical malfunctions which prevent trades from being processed or otherwise pursuant to the Regulated Market's rules. If trading on a Regulated Market is halted or suspended, the Sub-Fund will not be able to sell the securities traded on that Regulated Market until trading resumes.

Further, trading of the securities of a specific issuer may be suspended by a Regulated Market due to circumstances relating to the issuer. If trading of a particular security is halted or suspended, the Sub-Fund will not be able to sell that security until trading resumes.

The Fund may also temporarily suspend the calculation of the Net Asset Value per Share for any Sub-Fund. For further details, please refer to section 7.4.3 "Temporary Suspension of the Calculation" of the main part of the Prospectus.

## **13. Portfolio Turnover Risk**

Certain Sub-Funds may engage in significant turnover of the underlying securities held. This may involve the Investment Manager selling a security or entering into the close out of a derivative position when it believes it is appropriate to do so, regardless of how long the Sub-Fund has held the instrument. This practice may be carried out on a continuous basis, where the Investment Manager believes it is in the best

interests of Shareholders. These activities increase the Sub-Fund's portfolio turnover and may increase the Sub-Fund's transaction costs, however, any potential costs will be considered as part of the investment decision to ensure it is in the best interests of the Sub-Fund.

## 14. Settlement Risk

A Sub-Fund will be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

Shareholders should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for a Sub-Fund in respect to investments in emerging markets.

A Sub-Fund will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, it deals, whether it engages in exchange traded or off-exchange transactions.

A Sub-Fund may be subject to the risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Sub-Fund, or the bankruptcy of an exchange clearing house.

In any case the Depositary will have to exercise its supervisory duties as determined by applicable regulation over the aforementioned parties.

## 15. Volatility Risk

Investors should note that volatility may result in large fluctuations in the Net Asset Value of the Sub-Funds which may adversely affect the Net Asset Value per share of the relevant Sub-Fund and investors may as a result suffer losses.

## 16. Credit Risk

The Sub-Funds that invest in bonds, debt and other fixed income securities (including corporate and sovereign bonds) are subject to the risk that issuers do not make payments on such securities. An issuer suffering from an adverse change in its financial condition could lower the quality of a security leading to greater price volatility on that security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Sub-Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

A Sub-Fund may bear the risk of loss on an investment due to the deterioration of an issuer's financial standing. Such a deterioration may result in a reduction of the credit rating of the issuer's securities and may lead to the issuer's inability to honor its contractual obligations, including making timely payment of interest and principal. Credit ratings are a measure of credit quality. Although a downgrade or upgrade of an investment's credit ratings may or may not affect its price, a decline in credit quality may make the investment less attractive, thereby driving its yield up and its price down.

Declines in credit quality can result in bankruptcy for the issuer and permanent loss of investment. In the event of a bankruptcy or other default, the relevant Sub-Fund could experience both delays in liquidating the underlying securities and losses including a possible decline in value of the underlying securities during the period when the relevant fund seeks to enforce its rights thereto. This will have the effect of reducing levels of capital and income in the Sub-Fund and lack of access to income during this period together with the expense of enforcing the Sub-Fund's rights.

Shareholders should note that securities which were investment grade at the time of acquisition may be downgraded and that there is no specific requirement to sell such securities if they fall below investment grade unless otherwise stated in the investment policy of the relevant Sub-Fund. The risk of securities, which are investment grade at the time of acquisition, being downgraded will vary over time. In general, the Fund will monitor the credit worthiness of the securities in which the Sub-Funds invest, including but not limited to the credit rating of the securities themselves.

## 17. Interest rate Risk

The Sub-Funds that invest in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

## 18. Tax considerations

Where a Sub-Fund invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Sub-Fund will not be able to recover such withheld tax and so any change would have an adverse effect on the Net Asset Value of the Shares. The attention of potential investors is drawn to the taxation risks associated with investing in any Sub-Fund. Please see the section headed "Taxation" above.

FATCA provisions generally impose a reporting to the US Internal Revenue Service of direct and indirect of US Persons' ownership of non-U.S. accounts and non-U.S. entities. Failure to provide such information will lead to a 30% withholding tax applying to certain U.S. source income (including but not limited to dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

According to the IGA, the Fund has opted for the reporting FFI status with the Luxembourg tax administration. The first report to the Luxembourg tax administration was in 2015 in respect of the year 2014. However, there can be no guarantee or assurance that the Fund will be able to comply with all the requirements imposed by FATCA. Should the Fund not be able to comply with the FATCA's requirements and the Fund be subject to US withholding tax on certain withholdable payments as a result of non-compliance, the Shareholders may suffer significant loss as a result (*i.e.* the Net Asset Value may be adversely affected).

All investors and Shareholders should consult with their own tax advisor(s) regarding the possible implication of FATCA on their investments in the Fund.

The Fund and/or its Shareholders may also be indirectly affected by the fact that a non US financial entity does not comply with FATCA regulations even if the Fund satisfies with its own FATCA obligations.

## 19. Management Risk

The Fund employs a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each individual Sub-Fund. Furthermore, in case of use of OTC Derivatives, the Management Company then employs a process for accurate and independent assessment of the value of OTC Derivative instruments which is communicated to the CSSF on a regular basis in accordance with Luxembourg law.

Upon request of investors, the Board of Directors will provide supplementary information relating to the risk management process.

The investment performance of the Fund and of each Sub-Fund is substantially dependent on the services of the Management Company, of the Investment Manager and of the Directors. In the event of the death, disability, departure, insolvency or withdrawal of key personnel of the Management Company, of the Investment Manager or of the Directors, the performance of the Fund may be adversely affected.

Moreover, a Sub-Fund's success may depend solely on the Investment Manager's ability to identify eligible assets which will positively contribute to such Sub-Fund's capital appreciation. There can be no assurance that the investing and/or trading methods employed by the Investment Manager will produce profits. Moreover, the Investment Manager is dependent on the services of a limited number of key persons, and if the services of such persons were to become unavailable, this might have a serious impact on the Sub-Fund's performance and continuity.

## 20. Performance based compensation to the Investment Manager

The Investment Manager may receive incentive compensation from a Sub-Fund. The Performance Fee payable to the Investment Manager may create an incentive for the Investment Manager to make investments on behalf of a Sub-Fund that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, since such compensation is calculated on a basis that includes unrealized appreciation of the Sub-Fund assets, such compensation may be greater than if it were based solely on realized gains and losses. As a result incentive compensation may be paid on unrealized gains which may never subsequently be realized.

Unless otherwise indicated in the relevant Supplement, the Sub-Fund does not operate performance fee equalization and therefore if it operates a performance fee, this fact, combined with the vesting period of

the performance fee, may result in unequal effects being experienced between different investors as to the effective performance fee that they bear on the performance in the relevant Sub-Fund that they personally experience through the period of their investment.

## 21. Paying agent risk

Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to or from the Administrative Agent (e.g. a paying agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrative Agent for the account of the Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

## 22. Selection of Brokers and Dealers

The policy of the Investment Manager regarding purchases and sales for its portfolios is that primary consideration will be given to obtaining the most favorable execution of the transactions in seeking to implement the investment strategy of the relevant Sub-Fund. The Investment Manager will effect transactions with those brokers, dealers, futures commission merchants, banks and other counterparties (collectively, “brokers and dealers”) which the Investment Manager believes to provide the most favorable net prices and who are capable of providing efficient executions. Additional considerations include the ability of brokers and dealers to provide internal and external research services, special execution capabilities, clearance, settlement or other services including communications and data processing and other similar equipment and services and the furnishing of stock quotation and other similar information. The Investment Manager also may cause a broker or dealer who provides such certain services to be paid a commission or, in the case of a dealer, a dealer spread for executing a portfolio transaction, which is in excess of the amount of commission or spread another broker or dealer would have charged for effecting that transaction. On some occasions the Investment Manager may “step out” a commission or send part of a commission to a broker who did not execute the order. Prior to making such an allocation to a broker or dealer, however, the Investment Manager will make a good faith determination that such commission or spread was reasonable in relation to the value of the brokerage, research or other services provided, viewed in terms of that particular transaction or in terms of all the transactions over which the Investment Manager or its affiliates exercise trading discretion and will ensure that the relevant Sub-Fund derives a direct or indirect economic interest from such an allocation.

## 23. Sovereign bonds

A Sub-Fund may invest in debt obligations issued or guaranteed by governments or their agencies (sovereign bonds). The governmental entity that controls the repayment of sovereign bonds may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to service its debt on a timely basis. Consequently, governmental entities may default on their sovereign bonds.

A Sub-Fund may have limited legal recourse in the event of a default regarding certain sovereign debt obligations it holds. Unlike remedies for private debt, remedies for defaults on certain governmental debt obligations, must sometimes be pursued in the courts of the defaulting party itself. Legal recourse may therefore be significantly weaker. Moratorium, bankruptcy and other similar laws applicable to sovereign debt obligations issuers may be significantly different from those applicable to private debt obligations issuers. Political context, understood as the willingness of a sovereign debt obligations issuer to respect the terms and conditions of the debt obligation, for instance, is very important. Moreover, no assurance can be provided that the commercial bank debt holders will not contest payments to the holders of securities issued by foreign governments in case of default under commercial bank loan agreements. Furthermore, there is an additional risk that the government fails to make the necessary capital requirement payment to the relevant supra national body that issued the sovereign debt obligations, placing the supra national entity under the risk of not meeting its obligations.

Holders of sovereign bonds may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. There is no bankruptcy proceeding by which sovereign bonds, on which a governmental entity has defaulted, may be collected in whole or in part.

## 24. Corporate bonds

A Sub-Fund may invest in corporate bonds. Corporate bonds are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate bonds can be expected to decline. Corporate bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

## 25. Convertible Bonds

Investments in convertible bonds may, in addition to normal bond risks and fluctuations, be subject to fluctuations in response to numerous factors, including but not limited to, variations in the periodic operating results of the issuer, changes in investor perceptions of the issuer, the depth and liquidity of the market for convertible bonds and changes in actual or forecasted global or regional economic conditions. In addition, the global bond markets have from time to time experienced extreme price and volume fluctuations. Any such broad market fluctuations may adversely affect the trading price of convertible bonds.

## 26. Funds Investing in Lower Rated, Higher Yielding Debt Securities and/ or distressed securities

The Fund may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in the Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

Investment in distressed securities may trigger additional risks for the Fund. Such securities are considered as mainly speculative regarding the issuer's capacity to pay interest and principal or preserve other terms of the offering documents over any long period of time. Such securities are usually unsecured and may be subordinated to other outstanding securities and creditors of the issuer. Therefore, the Fund may lose its entire investment, may be compelled to accept cash or securities with a value less than its original investment and/or may be obliged to accept payment over an prolonged period of time. Retrieval of principal and interest may also include additional cost for the Fund.

## 27. Restrictions on Foreign Investment

Some countries prohibit or impose substantial restrictions on investments by foreign entities such as a Fund. For example, certain countries require governmental approval prior to investments by foreign persons, or limit the amount of investment by foreign persons in a particular company, or limit the investment by foreign persons in a company to only a specific class of securities which may have less advantageous terms than securities of the company available for purchase by nationals. The manner in which foreign investors may invest in companies in certain countries, as well as limitations on such investments, may have an adverse impact on the operations of a Fund. A Sub-Fund could be adversely affected by delays in, or a refusal to grant any required governmental approval for repatriation of capital, as well as by the application to the Sub-Fund of any restriction on investments.

## 28. Emerging Markets Risk

A Sub-Fund may invest in emerging market countries, which are countries that major international financial institutions, such as the World Bank, generally consider to be less economically mature than developed nations, such as the United States of America or most nations in western Europe. Emerging market countries can include every nation in the world except the United States of America, Canada, Japan, Australia, New Zealand and most countries located in western Europe. Due to less developed markets and economies and, in some countries, less mature governments and governmental institutions, the risks of investing in foreign securities can be intensified in the case of investments in issuers domiciled or doing substantial business in emerging market countries. These risks include high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries, as well as a high concentration of investors and financial intermediaries; political and social uncertainties; and over-dependence on exports. Emerging market countries may be more likely to experience political turmoil or rapid changes in economic conditions than more developed countries, and the financial condition of issuers in emerging market countries may be more precarious than in other countries. These characteristics result in greater risk of price volatility in emerging market countries, which may be heightened by currency fluctuations relative to the USD.

### 28.1 Risks involved in investing in Brazil

Certain Sub-Funds may invest in securities or instruments which have exposure to the Brazilian market. Brazil is considered as an emerging market country. Many of the currencies including the BRL have experienced significant devaluations relative to the USD and major adjustments may be required as a result.

## **28.2 Risks involved in investing in India**

The debt market in India comprises of two segments, the Government Securities market (G-Sec market) regulated by the Reserve Bank of India ("RBI") and the corporate debt market regulated by both the RBI and the Securities and Exchange Board of India ("SEBI"). The Government Securities (G-Secs) currently forms the major portion of the market in terms of outstanding securities, trading volumes and market capitalization. The RBI issues G-Secs through an auction process on behalf of the Government of India.

The India debt market is at a developing stage, and the market capitalization and trading volume may be lower than those of the more developed markets.

## **28.3 Risks involved in investing in China**

Certain Sub-Funds may invest in securities or instruments of which the issuer or guarantor has exposure to the Chinese market. The People's Republic of China ("China", which excludes Hong Kong, Macau and Taiwan for the purpose of this Prospectus) is in the process of adopting international accounting, auditing and financial reporting standards. Many Chinese companies still do not follow such reporting standards and there are notable differences in accounting and disclosure practices in China. These include the area of the valuation of property and other assets (in particular inventory and investments and provisions against debtors), accounting for depreciation, consolidation, deferred taxation and contingencies and the treatment of exchange differences. Less information may be available to investors and such information may be out of date. Despite having operations in China, all the issuers that the Fund invests in China are also listed in Hong Kong and have audited financial statements.

The regulatory and legal framework for capital markets and joint stock companies in China may not be as well developed as those of developed countries.

Investments which have exposure to the Chinese market may be substantially less liquid and more volatile than those of mature markets. This may affect the timing and pricing of the Sub-Fund's acquisition or disposal of securities or instruments.

### **28.3.1 Bond market liquidity**

The Chinese market is marked by (i) a low liquidity across China's bond market due to banks holding bonds until maturity and (ii) a low frequency of trading. Together with an underdeveloped financial market infrastructure as well as China's relatively high bid-ask spreads, has led to limited liquidity, particularly for

credit bonds. Treasury bonds also are insufficiently liquid, restricting the Chinese government bond yield curve.

### 28.3.2 Bond Connect risk

A Sub-Fund may purchase fixed income securities ("**BCS**") which are traded on China Interbank Bond Market ("**CIBM**") through the mutual bond market access link established between Hong Kong and China which facilitates investment in the CIBM through mutual access and connection arrangements in respect of trading, custody and settlement between the related financial infrastructure institutions of Hong Kong and China ("**Bond Connect**"). CIBM scheme creates a route for international investors to access onshore bonds, complementing already existing connect schemes. This is a further step in opening up Chinese financial markets to international investors. To the extent that a Sub-Fund's investments on the CIBM are made through Bond Connect, such investments may be subject to additional risk factors and in particular to clearing and settlement risk.

Under the current regulations in China, eligible foreign investors wishing to invest in BCS may do so through an offshore custody agent approved by the Hong Kong Monetary Authority ("**OCA**"), who will be responsible for the account opening with the relevant onshore custody agent approved by the People's Bank of China (the "**PBOC**"). As a consequence of the foregoing, a Sub-Fund may be subject to the risks of default or errors on the part of the OCA.

Even though investments through Bond Connect are not subject to any quota, the authorities may suspend account opening or trading via Bond Connect, and in the absence of RQFII Quota, a Sub-Fund's capacity to invest in CIBM will be limited, and such Sub-Fund may not be able to follow its investment strategy or it may have a negative effect on the relevant Sub-Fund's performance.

The BCS will be held in accounts kept by the Central Money markets Units ("**CMU**") as central securities depositary in Hong Kong and nominee holder. Because CMU is not the beneficial owner of BCS, in the unlikely event that CMU becomes subject to winding up proceedings, BCS will not be regarded as part of the general assets of CMU available for distribution to creditors under Chinese law. Additionally, CMU will not be obliged to take any legal action to enforce any rights on behalf of investors in BCS. A failure or delay by the CMU in the performance of its obligations may result in a failure of settlement, or the loss, of BCS and therefore a Sub-Fund may experience losses as a result. Neither the Fund, the Management Company, nor the Investment Manager shall be responsible or liable for any such losses.

## 29. Risks involved in investing in Russia

There are significant risks inherent in investing in Russia including: (a) delays in settling transactions and the risk of loss arising out of Russia's system of securities registration and custody; (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection; (c) pervasiveness of corruption, insider trading, and crime in the Russian economic system; (d) difficulties associated in obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information; (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes; (f) the general financial condition of Russian companies, which may involve particularly large amounts of inter-company debt; (g) banks and other financial institutions are not well developed or regulated and as a result tend to be untested and have low credit ratings; (h) political and economic instability which can impact the valuation of investments in Russia; (i) Russian market may lack liquidity and exhibit high price volatility meaning that the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavorable prices.

Any fund investing directly in local Russian stock will limit its exposure to no more than 10% of its Net Asset Value, except for investment in securities listed on MICEX-RTS, which is recognized as being a regulated market.

As a result of Russia's invasion of Ukraine and its previous coercive action in Crimea, as at the date of this Prospectus, the United States of America, European Union and other countries have imposed sanctions and restrictive measures in view of Russia's actions destabilizing the situation in Ukraine. The scope and level of the sanctions may increase and there is a risk that this may adversely affect the Russian economy. As a consequence of the foregoing, in case the international and national sanctions and restrictive measures becomes stronger against the Federation of Russia, the Board of Directors may, in the best interest of the Fund and the Shareholders, decide at any time to disinvest all investments in Eurobonds giving exposure to Russian companies, governments and agencies.

In addition, should the international and national sanctions and restrictive measures becomes stronger against Russian investors, the Board of Directors may, in the best interest of the Fund and the Shareholders, decide to redeem all shares of such Russian investors.

### 30. FDIs Risks

Some Sub-Fund's investments may consist of FDIs, to reduce risks or costs or to generate additional capital or income. Specific Sub-Funds may use more complex derivative investment instruments. The use of derivatives by each Sub-Fund is set out in more detail in relevant Supplement.

For Sub-Funds that use FDIs, there is no guarantee that the performance of the FDIs will result in a positive effect for the Fund and its Shareholders.

While the prudent use of FDIs can be beneficial, such instruments also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments including: (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the price movements of the derivatives and price movements of related investments; (3) the fact that skills needed to use these instruments are different from those needed to select the Sub-Fund's securities; (4) the possible absence of a liquid market for any particular instrument at any particular time; (5) possible impediments to effective portfolio management or the ability to meet redemptions; and (6) possible losses arising from an unexpected application of law or regulation or arising as a result of the unenforceability of a contract. The following provisions apply whenever a Sub-Fund proposes to engage in transactions in FDIs where the transactions are for the purposes of the EPM of the Sub-Fund and, where the intention is disclosed in the Sub-Fund's investment policy, for investment purposes of the Sub-Fund. The Fund will employ a risk management process to enable it to monitor, manage and measure, on a continuous basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Sub-Fund's portfolio. The Fund will submit its risk management process to the CSSF prior to engaging in FDIs transactions.

Each Sub-Fund may enter into transactions in over-the-counter markets that expose it to the credit of its counterparty and its ability to satisfy the terms of such contracts. Where the Sub-Fund enters into FDIs, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and may incur a significant loss. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Fund, for instance, bankruptcy, supervening illegality, a substantial decline in the Net Asset Value or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Fund's policy to net exposures against its counterparties.

The Sub-Funds' assets may be invested in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

To the extent that the Fund invests in derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions, the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions which generally are backed by clearing organisation guarantees, daily marking-to-market, settlement, segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two (2) counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

## 30.1 Swaps

Swaps are a financial contract between two parties, where each party pays the other party periodic payments over the life of the contract according to some pre-specified rules based on certain underlying index.

Swaps are considered as FDIs. There are two main risks related to swaps transactions, price risks and default risk.

## 30.2 Futures, Options and Forward Transactions

The Fund may use options, futures and forward contracts on securities, indices, volatility, inflation and interest rates for hedging purposes and investment purposes. Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Fund is fixed, the Fund may sustain a loss well in excess of that amount. The Fund will also be exposed to

the risk of the purchaser exercising the option and the Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Forward transactions, in particular those traded over-the-counter, have an increased counterparty risk. If a counterparty defaults, the Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

### 30.3 Equity-Linked Notes

There are particular risks associated with investments in Equity-Linked Notes. The return component is based on the performance of a signed security, a basket of securities or an equity index. Investment in these instruments may cause a capital loss if the value of the underlying security decreases. In extreme cases the entire capital may be lost. These risks are also found in investing in equity investments directly. The return payable for the note is determined at a specified time on a valuation date, irrespective of the fluctuations in the underlying stock price. There is no guarantee that a return or yield on an investment will be made. There is also the possibility that a note issuer may default.

### 30.4 CoCos Risk

*Trigger level risk:* trigger levels differ and determine exposure to conversion risk depending on the CET1 distance to the trigger level. The conversion triggers are disclosed in the Prospectus of each issuance. Nonetheless, the investor needs an ongoing understanding of the amount of CET1 the issuer has in place relative to the trigger level. The amount of CET1 varies depending on the issuer while trigger levels differ depending on the specific terms of issuance. The trigger could be activated either through a material loss in capital as represented in the numerator or an increase in risk weighted assets as measured in the denominator. Transparency is critical to mitigating the risk.

*Coupon cancellation:* Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. While all CoCos (AT1 and T2) are subject to conversion or write down when the issuing bank reaches the trigger level, for AT1s there is an additional source of risk for the investor in the form of coupon cancellation in a going concern situation. Coupon payments on AT1 instruments are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on AT1 CoCos does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. This significantly increases uncertainty in the valuation of AT1 instruments and may lead to mispricing of risk.

Perhaps most challenging to investors, given the required absence of dividend stoppers/pushers, the AT1 holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

*Capital structure inversion risk:* contrary to classic capital hierarchy, CoCos investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g. when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo when equity holders will already have suffered loss. Moreover, high trigger Tier 2 CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1s and equity.

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

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

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

## **30.5 Absence of regulation; counterparty default and lack of liquidity**

In general, there is less regulation and supervision of transactions in the OTC markets (in which forward and option contracts, credit default swaps, and certain options on currencies and other financial derivative instruments are generally traded) than of transactions entered into on organized stock exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, the Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses. The Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties.

In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at the price it may be valued in the Fund.

## **31. Units of UCITS and/or other UCIs**

In the event that a Sub-Fund acquires units of UCITS and/or other UCIs, certain commissions and fees to be borne indirectly by the Shareholders may increase as a result. Such fees include management, custodian and administrative fees as well as operating and auditing costs.

## **32. Counterparty Risk**

The Fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

The Fund will only enter into over-the-counter derivatives transactions with First Class Institutions which are subject to prudential supervision and specialising in these types of transactions. The counterparty risk for such derivatives transactions entered into with First Class Institutions may not exceed 10% of the relevant Fund's net assets when the counterparty is a credit institution referred to in the 2010 Law or 5% of its net assets in other cases.

### 33. Depositary Risk

The liability of the Depositary Bank shall be established in conformity with the 2010 Law and the Depositary Bank Agreement.

In the event of loss suffered by the Fund or a Sub-Fund as a result of the Depositary Bank's actions or omissions, the Fund or Sub-Fund would generally, in order to bring a successful claim against the Depositary Bank, has to demonstrate that it has suffered a loss as a result of the Depositary Bank's unjustifiable failure to perform its obligations or its improper performance of them. The Fund or Sub-Fund must also demonstrate that it has suffered a loss as a result of the Depositary Bank's negligence.

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

### 34. ESG Risk

ESG issues are non-financial considerations that may positively or negatively affect a company's/issuer's revenues, costs, cash flows, value of assets and/or liabilities:

- Environmental issues relate to the quality and functioning of the natural environment and natural system such as carbon emissions, environmental regulations, energy, water and waste management;
- Social issues relate to the rights, wellbeing and interests of people and communities such as labour management and health and safety, data security and product quality; and
- Governance issues relate to the management and oversight of companies and other investee entities such as board, ownership, business ethics, transparency, executive compensation and shareholder rights.

Even though ESG is a critical component of investment integrated into the Fund's investment decision-making, applying ESG criteria to the investment process may exclude securities of certain issuers for non-

investment reasons and therefore some market opportunities available to the Sub-Funds that do not use ESG or sustainability criteria may be unavailable for such Sub-Fund, and the Sub-Fund's performance may at times be better or worse than the performance of comparable funds that do not use ESG or sustainability criteria. The Fund's ESG investment strategy, if applicable as indicated in the Supplement of the relevant Sub-Fund, may result in the Fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards. ESG issues will be considered in the overall investment decision so that the manageability of risk will be determined according to such ESG standard.

Additionally, the selection of assets may in part rely on a proprietary ESG scoring process or ban lists that rely partially on third party data, representing a whole spectrum of methodologies. The lack of common or harmonized definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by managers when setting ESG objectives and determining that these objectives have been met by the funds they manage. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from the Investment Manager's methodology.

Besides, several Member States are implementing national standards and financial product labels based on market-based classification systems, which might lead to market fragmentation and confuse investors with sustainability preferences. Furthermore, differences between national standards and labels might hinder cross-border sustainable investments. Lastly, the risk of greenwashing might challenge the confidence of investors and provide unfair competitive advantage to financial actors engaged in those practices.

Risks pertaining to investments with ESG factors on government bonds are likely to be relatively low but not negligible as government bonds have a comparably high sensitivity to sources of risk related to macroeconomic conditions rather than environmental/climate change factors. The lack of consensus on the indicators used to measure environmental risks in the context of sovereign fixed income may result in uncertainty as to the data available. Frequent updates (i.e. best in class investments) may lead to short term inconsistencies between the content of the portfolio and the ESG objective. Companies or issuers from countries displaying poor ESG indicators are often more subject to shocks from natural, social or economic events, leading to greater credit risk and corruption.



The relationship between ESG factors and investment performance regarding corporate bonds is currently still unclear or indirect as in other asset classes. The implied low volatility in debt market, relative illiquidity, and bondholders' privilege position in corporate capital structures imply that corporate bond prices are de facto less sensitive to ESG considerations in comparison to share prices. Challenging events impacting upon cash flows and reputations may be considered a risk related to ESG factors and notably its focus on fixed income. Asset owners demand may be less present for ESG investments due to the growing, not yet stable trend. Consequently, asset managers require additional support as ESG analysis and screening methods create a potential market for more integrated products and services from other key stakeholders such as credit rating agencies, sell-side brokers and research providers, implying a stronger counterparty risk.

## Appendix III

### Additional Information relating to FDIs and EPM Techniques

The Fund shall employ a risk management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of the portfolio of the Fund.

It must employ a process for accurate and independent assessment of the value of OTC Derivatives.

The Fund currently does not intend to make use of any SFT covered by the SFTR or any TRS. The Fund will update the Prospectus if in the future it intends to make use of any SFT or TRS.

#### 1. FDIs

As provided for in the main part of this Prospectus, the Fund may use all the FDI authorised by the 2010 Law and in accordance with any circular issued by the CSSF and within the limit provided for a specific Sub-Fund in the relevant Supplement.

FDI may be used for hedging, EPM and/or, to the extent permitted by its investment policy, for investment purposes, as further described for each Sub-Fund in the relevant Supplement. Under no circumstances the use of these FDI results in a Sub-Fund to diverge from its investment policy or objective as described in the main part of the Prospectus.

A Sub-Fund may invest, as a part of its investment policy and within the limits laid down in Appendix I - *“Investment Restriction, Diversification and Loans”*, section 3.1.6, in FDI, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in Appendix I - *“Investment Restriction, Diversification and Loans”*, section 3.1. When a Sub-Fund invests in index-based FDIs, those investments are not required to be combined for the purposes of the limits laid down in Appendix I - *“Investment Restriction, Diversification and Loans”*, section 3.1.

When a Transferable Security or a Money Market Instrument embeds a FDI, the FDI shall be taken into account when complying with the requirements of Article 42 of the 2010 Law.

Unless otherwise provided for in the Supplement for a specific Sub-Fund, a Sub-Fund shall not enter into FDI if the counterparty may assume any discretion over the composition of the underlying of the FDI.

Each time a Sub-Fund enters into FDI, it shall safeguard that it holds sufficient liquid assets to cover at any time the portfolio's obligations resulting from such FDI.

Different FDI involve different levels of exposure to risk and can entail a high degree of leverage. Details will be provided for each Sub-Fund in the relevant Supplement.

In accordance with Article 42(3) of the 2010 Law, the Management Company shall ensure that the global exposure of any Sub-Fund relating to FDI does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. The Management Company shall safeguard that the global exposure of each Sub-Fund relating to FDI does not exceed the total net assets of the relevant Sub-Fund. A Sub-Fund's overall risk exposure shall consequently not exceed 200% of its total net assets. This overall risk limit may be increased by 10% by means of temporary borrowing.

The following FDI and techniques may be used in particular, but not exclusively:

- FDIs linked to interest rate risks such as call and put options on interest rates, interest rate swaps, interest rate futures contracts, swap options, caps and floors, etc.;
- FDIs related to credit risks, such as credit default swaps whereby credit default swaps are bilateral financial contracts in which one counterparty (the "protection buyer") pays a periodic fee in return for a contingent payment by the other counterparty (the "protection seller") following a credit event of a reference issuer. The protection buyer acquires the right to exchange particular bonds or loans issued by the reference issuer with the protection seller for its or their par value, in an aggregate amount up to the notional value of the contract, when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The ISDA has produced standardised documentation for these transactions under the umbrella of its ISDA Master Agreement.

Additionally, unless otherwise provided for in its investment policy, a Sub-Fund may enter into OTC Derivatives transactions to the extent that the counterparties to such transactions are institutions which are either credit institutions or investment firms subject to prudential supervision, and belonging to the categories approved by the CSSF. The identity of the counterparties will be disclosed in the annual report of the Fund.



The Fund may in order to hedge currency risks hold forward currency contracts or currency futures or acquire currency options for amounts not exceeding, respectively, the aggregate value of securities and other assets held within each Sub-Fund denominated in a particular currency, provided that the Fund may also repurchase the currency concerned through a cross transaction (entered into through the same counterparty) or, within the same limits, enter into currency swaps should such a cost be more advantageous for the Sub-Fund. Contracts on currencies must either be quoted on a stock exchange or dealt in or on a regulated market, except that the Fund may enter into currency forward contracts or swap arrangements with highly rated financial institutions.

The Fund can enter into credit default swaps (“**CDS**”) for the purposes of hedging the default or credit event risk of the reference entity. In this case, the value of the underlying securities included in the CDS shall not be higher than the aggregate value of the portion of assets of the Sub-Fund portfolio intended to be hedged.

The Fund may acquire or sell CDS, if such transactions are advantageous for the Fund and only if these transactions are made with highly rated counterparties specializing in such types of transactions. Additionally, the aggregate purchase cost (as regards spreads paid) of all swaps on and other financial instruments purchased by the Fund for other purposes than hedging, shall not exceed 15% of the NAV of each concerned Sub-Fund portfolio.

The Fund may trade in futures, such as stock index futures in order to hedge the risk of fluctuations of the value of the assets of a Sub-Fund portfolio, however the commitments regarding such index futures sales contracts shall not exceed the corresponding risk of fluctuation of the value of the corresponding portion of such assets.

The Fund may trade in index options in order to hedge the risk of fluctuations of the securities value in a Sub-Fund’s portfolio. As such, the Fund may, on behalf of such Sub-Fund, sell call options on stock indices or buy put options on stock indices. In this case, the value of the underlying securities included in the relevant stock index options shall not be higher than the aggregate value of the portion of assets of the Sub-Fund portfolio intended to be hedged, together with outstanding commitments in financial futures contracts entered into for the same purposes.

The options on stock index futures must either be listed on an exchange or dealt in on a regulated market. The Fund may however acquire or sell over-the-counter options on financial instruments, provided that such transactions are more advantageous for the Fund or if quoted options having certain required features are not available, only if such transactions are made with highly rated counterparties specializing in such types

of transactions. Additionally, the aggregate purchase cost (as regards premiums paid) of all options on securities and such options on interest rate futures and other financial instruments purchased by the Fund for other purposes than hedging, shall not exceed 15% of the NAV of each concerned Sub-Fund portfolio.

The Fund may enter into interest rate futures contracts, trade in options on interest rates or enter into interest rate swap transactions in order to hedge the risk of fluctuations of the value of the assets of a Sub-Fund portfolio. The Fund may sell interest rate futures or write call options or acquire put options on interest rates or enter into interest rate swap transactions. The contracts and options shall have the currency of the assets of the concerned Sub-Fund portfolio, or other currency that is likely to fluctuate in the same way, and such contracts and options shall be listed on an exchange or dealt in on a regulated market, with the exception of interest rate swap transactions that can be entered into with highly rated financial institutions, by means of private agreement.

Furthermore, the Fund may enter into interest rate futures purchase contracts or buy call options on interest rate futures, in order to facilitate changes in the allocation of the assets of a Sub-Fund portfolio between shorter and longer term markets, in anticipation of or in a significant market sector advance, or to give a longer term exposure to short term investments, only if sufficient uncommitted cash reserves, short dated Debt Securities or instruments or securities to be disposed of at a predetermined value exist to match the underlying exposure of both such futures positions and the value of the underlying securities included in call options on interest rate futures purchased for the same purpose and for the same Sub-Fund portfolio.

The options on interest rate futures must either be listed on an exchange or dealt in on a regulated market. The Fund may however acquire or sell OTC options on financial instruments, provided that such transactions are more advantageous for the Fund or if quoted options having certain required features are not available, only if such transactions are made with highly rated counterparties specializing in such types of transactions. Additionally, the aggregate purchase cost (as regards premiums paid) of all options on securities and such options on interest rate futures and other financial instruments purchased by the Fund for other purposes than hedging, shall not exceed 15% of the NAV of each concerned Sub-Fund portfolio.

## **2. EPM Techniques**

A Sub-Fund may use, on an ancillary basis, FDIs for the purpose of EPM provided that such transactions and instruments are specifically described in the Supplement and subject to the conditions and within the limits laid down in the 2010 Law as well as any circulars issued by the CSSF from time to time.

Under no circumstances shall EPM operations cause any Sub-Fund to deviate from its investment objective nor shall they result in any substantial supplementary risk.

For the purpose of EPM Techniques, financial instruments are used if:

- a) they are cost-effective;
- b) they are entered into to reduce risk or cost or to generate additional capital or income with risk levels which is consistent with the risk profile of the Sub-Fund and applicable risk diversification rules;
- c) their risks are adequately captured by the risk management process of the Management Company.

A Sub-Fund shall enter only into any FDIs with counterparties subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by European Union law and selected by the Fund and the Investment Manager in accordance with its execution policy available on [www.galloway.com.br](http://www.galloway.com.br).

The use of FDIs may incur fixed or variable brokerage fees and transaction costs relative to such techniques that will be disclosed in the annual report of the Fund.

Any revenues from EPM Techniques will be returned to the relevant Sub-Fund, minus direct and indirect operational costs. It should be noted that each Sub-Fund may incur costs and fees in connection with EPM Techniques. These costs and fees should not include hidden revenue.

In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary or the Management Company or the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. Information on direct or indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities to which such costs and fees are paid and any affiliation they may have with the Depositary or the Management Company or the Investment Manager, as the case may be, will be also available in the annual report of the Fund.

The Investment Manager will maintain the volume of these transactions at a level such that it is able, at all times, to meet Redemption Requests.

The use of EPM Techniques, in particular with respect to the quality of the collateral received and/or reinvested, may lead to several risks such as liquidity risk, counterparty risk, issuer risk, valuation risk and



settlement risk, which can have an impact on the performance of the Sub-Fund concerned. Please refer to the Appendix II – *“Risk of Investments”*.

In particular, the Fund may invest in index options for the purpose of efficient management of its securities portfolio. The Fund may therefore, buy call options on stock indices mainly in order to facilitate changes in the allocation of the assets of the Sub-Fund portfolio between markets in anticipation of or in significant market sector advance, only if the value of the underlying securities included in the relevant stock index options is covered by uncommitted cash reserves in that Sub-Fund portfolio, short dated Debt Securities and instruments or securities to be disposed of at a predetermined price.

The Fund may also trade in stock index futures for the purpose of EPM in order to facilitate changes in the allocation of a Sub-Fund portfolio's assets between markets or in anticipation of or in a significant market sector advance, provided that sufficient uncommitted cash reserves, short dated debt instruments or securities owned by the Sub-Fund portfolio at a predetermined value exist to match the underlying exposure of both such futures positions and the value of the underlying securities included in the call stock index options purchased for the same purpose. All such index futures shall be listed on an exchange or dealt in on a regulated market.

Additionally, the Fund may invest in CDS for the purpose of efficient management of its securities portfolio. The Fund may buy CDS or sell CDS, provided that the value of the underlying securities included in the relevant CDS is covered by uncommitted cash reserves in that Sub-Fund portfolio, short dated Debt Securities and instruments or securities to be disposed of at a predetermined price.

Finally, the risk exposure to a single counterparty generated through OTC, FDI and EPM Techniques may not exceed 10% of the portfolio's assets when the counterparty is a credit institution referred to in Article 41(1) (f) of the 2010 Law or 5% of the Sub-Fund's assets in all other cases.

Assets subject to EPM Techniques are safekept by the Depositary or an agent or third party under its control.

