

**William Blair SICAV**

*Société d'investissement à capital variable*

Luxembourg

**Prospectus**

**Dated**

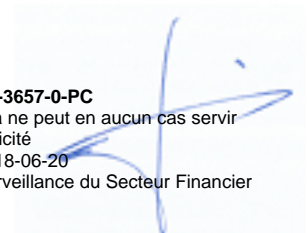
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d'argument de publicité

Luxembourg, le 2018-06-20

Commission de Surveillance du Secteur Financier



## William Blair SICAV

*Société d'investissement à capital variable*

**31, Z.A. Bourmicht  
L-8070 Bertrange  
Grand Duchy of Luxembourg  
Luxembourg R.C.S: B-98 806**

### OFFER FOR SHARES

This is an offer to subscribe for shares (the "**Shares**") without par value issued in William Blair SICAV (the "**Company**"), each Share being linked to one of the following sub-funds of the Company (each a "**Fund**"):

Name of the Funds	Reference Currency
William Blair SICAV - U.S. Small-Mid Cap Growth Fund (the " <b>U.S. Small-Mid Cap Growth Fund</b> ")	US\$
William Blair SICAV – U.S. All Cap Growth Fund (the " <b>U.S. All Cap Growth Fund</b> ")	US\$
William Blair SICAV – Dynamic Diversified Allocation Fund (the " <b>Dynamic Diversified Allocation Fund</b> ")	US\$
William Blair SICAV - Emerging Markets Growth Fund (the " <b>Emerging Markets Growth Fund</b> ")	US\$
William Blair SICAV - Emerging Markets Leaders Fund (the " <b>Emerging Markets Leaders Fund</b> ")	US\$
William Blair SICAV - Emerging Markets Small Cap Growth Fund (the " <b>Emerging Markets Small Cap Growth Fund</b> ")	US\$
William Blair SICAV - Global Leaders Fund (the " <b>Global Leaders Fund</b> ")	US\$

The U.S. All Cap Growth Fund, U.S. Small-Mid Cap Growth Fund, Dynamic Diversified Allocation Fund, Emerging Markets Growth Fund, Emerging Markets Leaders Fund, Emerging Markets Small Cap Growth Fund and Global Leaders Fund offer Shares in Class A, Class B, Class I, Class D, Class J, Class R and Class Z. The share classes are further described below in the section headed "*Classes of Shares*". The members of the board of directors of the Company (the "**Directors**") may decide to create further classes of Shares (each a "**Class**") and/or Funds with different characteristics, and provide for conversion of Classes and/or Funds, in which case this prospectus (the "**Prospectus**") will be updated accordingly. Each Class may be sub-divided into (i) accumulation of income and/or distribution of income categories and/or (ii) hedged and/or un-hedged categories and/or (iii) different

investment currencies (each a "**Category**"). For further information about the rights attaching to the various Classes and/or Categories, please refer to the section headed "*Classes of Shares*".

The reference currency of each Fund is the currency in which each Fund is denominated (the "**Reference Currency**"). The dealing currency of each Class is the currency in which each Class is denominated (the "**Dealing Currency**"). The consolidated currency of the Company is the United States Dollar (the "**US\$**").

## IMPORTANT INFORMATION

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

The Company is registered in the Grand Duchy of Luxembourg as an undertaking for collective investment in transferable securities (a "UCITS") with multiple compartment pursuant to Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment ("UCIs"), as may be amended from time to time (the "UCI Law") and the Council Directive 2009/65/EC (the "UCITS Directive") as amended. However, such registration does not imply a positive assessment by the the Commission de Surveillance du Secteur Financier ("CSSF") of the contents of the Prospectus or of the quality of the Shares offered for sale. Any representation to the contrary is unauthorised and unlawful.

The Company has appointed a Management Company in accordance with Part I of the UCI Law, as further detailed below.

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

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

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

The Company also publishes key investor information documents (the "KIIDs"), which include information about the essential characteristics of the Company in order to enable investors to understand the nature and the risks of an investment in the Company and to make their investment decision on an informed basis.

Subscriptions for Shares can be accepted only on the basis of the current Prospectus and the KIIDs. The Company will produce an annual report (the "**Annual Report**") containing the audited accounts and un-audited semi-annual reports (a "**Semi-Annual Report**"). Following the publication of the first of either report, the current Prospectus at that date will be valid only if accompanied by such Annual Report or Semi-annual Report. These reports in their latest version form an integral part of the Prospectus.

## **WARNING FOR INVESTORS IN HONG KONG**

**You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.**

This document has not been delivered for registration to the Registrar of Companies in Hong Kong and its contents have not been reviewed by any regulatory authority in Hong Kong. Accordingly, the Shares may not be offered or sold in Hong Kong by means of this document or any other document, and this document must not be issued, circulated or distributed in Hong Kong other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and the Securities and Futures (Professional Investor) Rules made thereunder; or (ii) in other circumstances which do not result in this document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**CO**") or which do not constitute an offer to the public within the meaning of the CO.

None of this document or any advertisement, invitation or other document relating to the Shares may be issued, circulated or distributed, or be in the possession of any person for the purposes of issue, circulation or distribution, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and the Securities and Futures (Professional Investor) Rules made thereunder.

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### Board of Directors

Chairman	Stephanie G. Braming Partner William Blair Investment Management, LLC	150 North Riverside Plaza Chicago, IL 60606 United States of America
Member	Arthur J. Simon Partner William Blair & Company, L.L.C.	150 North Riverside Plaza Chicago, IL 60606 United States of America
Member	Thomas Ross Partner William Blair International, Ltd.	The Broadgate Tower 20 Primrose Street London EC2A 2EW

### Management Company

The Company has appointed FundRock Management Company S.A., a "*société anonyme*" incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office at 33, rue de Gasperich, L-5826 Hesperange as its management company (the "**Management Company**").

### Administration and Advisors

Depository and Paying Agent, Central Administration Agent (including Domiciliary Agent), Registrar and Transfer Agent	Citibank Europe plc, Luxembourg Branch 31, Z.A. Bourmicht L-8070 Bertrange Grand Duchy of Luxembourg
Investment Manager	William Blair Investment Management, LLC 150 North Riverside Plaza Chicago, IL 60606 United States of America
Global Distributor	William Blair & Company, L.L.C. 150 North Riverside Plaza Chicago, IL 60606 United States of America

Sub-Custodian	Citibank, N.A., 388 Greenwich Street, New York, New York, 10013, United States of America
Auditor	Ernst & Young S.A. 35 E, Avenue John F. Kennedy 1855 Luxembourg Grand Duchy of Luxembourg
Legal Advisor	Clifford Chance 10, boulevard G.D. Charlotte L-1330 Luxembourg Grand Duchy of Luxembourg

### **Investment Objective of the Company**

The main objective of the Company is to provide the investors with a choice of professionally managed Funds investing in a wide range of transferable securities in order to achieve an optimum return from capital invested, while reducing investment risk through diversification.

### **Investment Policies**

The investment objective and policy of the Funds are described below. The Funds are managed in accordance with the investment restrictions specified in Appendix A, and the special investment and hedging techniques and instruments specified in Appendix B. The Company will provide the relevant shareholders with at least thirty (30) days' prior notice of any change in its investment policy.

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

The Company and the Management Company will use a risk-management process that enables them to monitor and measure at any time the risk of the Funds' portfolio positions and their contribution to the overall risk profile of the Company. It will employ a process allowing for accurate and independent assessment of the value of OTC derivative instruments.

The market exposure for the Dynamic Diversified Allocation Fund will be calculated using an Absolute Value-at-Risk (VaR) approach. VaR reports for the Dynamic Diversified Allocation Fund will be produced and monitored on a daily basis. The leverage is expressed as the derivative notional total. The expected level of leverage relative, calculated as the sum of the notionals of the derivatives used relative to the net asset value of the Dynamic Diversified Allocation Fund, amounts to 800%. This percentage is indicative and may be exceeded.

For all Funds other than the Dynamic Diversified Allocation Fund, the global exposure is calculated using the commitment approach. The Company and the Management Company shall ensure that for the Funds using the commitment approach, global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The risk exposure is calculated taking into account the current value of the underlying assets.



## Summary

### U.S. Small-Mid Cap Growth Fund

**Investment objective:** The U.S. Small-Mid Cap Growth Fund seeks long-term capital appreciation.

**Main investment strategies:** Under normal market conditions, the Fund invests at least 80% of its total net assets (plus the amount of any borrowings for investment purposes) in stocks of small capitalized ("**small cap**") and medium capitalized ("**mid cap**") companies in the United States ("**U.S.**"). The Fund invests primarily in a diversified portfolio of equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), of small cap and mid cap U.S. growth companies that are expected to exhibit quality growth characteristics. For purposes of the Fund, the Investment Manager considers a company to be a small cap or a mid cap company if it has a market capitalization no larger than the largest capitalized company in the Russell Midcap<sup>®</sup> Index at the time of the Fund's investment. Securities of companies whose market capitalization no longer meets this definition after purchase may continue to be held in the Fund. To a limited extent, the Fund may also purchase stocks of companies with business characteristics and growth prospects similar to small and mid cap companies, but that may have market capitalizations above the market capitalization of the largest member of the Russell Midcap<sup>®</sup> Index. The Fund may invest in newly created companies both through initial public offerings ("**IPOs**") and private placements.

The U.S. Small-Mid Cap Growth Fund is measured against the Russell 2500<sup>™</sup> Growth Index as primary index.

The Fund may use techniques and instruments, as referred to in Appendix B headed "*Special Techniques and Instruments*", for hedging purposes only (e.g. hedge against the risk of unfavourable stock market movements, interest rate fluctuations, fluctuation of currencies), provided that the Fund shall ensure a correlation between the techniques and instruments and the securities or currencies being hedged. The Fund will not duplicate the composition of an index and/or enter into OTC derivative transactions, as referred to in Appendix A headed "*Investment Powers and Restrictions*". To a limited extent the Fund may invest in warrants and convertible securities which are described in Appendix B.

**Main risks of investing in the U.S. Small-Mid Cap Growth Fund:** The Fund's returns may vary, and investors could lose money by investing in the Fund. Because the Fund invests most of its assets in equity securities of small cap and mid cap U.S. growth companies, the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. In addition, there is the risk that individual securities may not perform as expected or a strategy used by the Investment Manager may fail to produce its intended result. Different investment styles (e.g., growth vs. value, quality bias, market capitalization focus) tend to shift in and out of favor depending on market conditions and investor sentiment, and at times when the investment style used by the Investment Manager for the Fund is out of favor, the Fund may underperform other equity funds that use different investment styles. The securities of small cap and mid cap companies may be volatile and less liquid than securities of large capitalization companies. In addition, small and mid cap companies may be traded in low volumes. This can increase volatility and increase the risk that the Fund will not be able to sell the security on short notice at a reasonable price. To the extent that the Fund focuses its investments in particular

industries, asset classes or sectors of the economy, any market changes affecting companies in those industries, asset classes or sectors may impact the Fund's performance. To the extent that a significant portion of the Fund's shares are held by a limited number of shareholders or their affiliates, there is a risk that the share trading activities of these shareholders could disrupt the Fund's investment strategies, which could have adverse consequences for the Fund and other shareholders (e.g., by requiring the Fund to sell investments at inopportune times or causing the Fund to maintain larger-than-expected cash positions pending acquisition of investments). The Fund's investments in IPOs are subject to high volatility and are of limited availability. Securities acquired through private placements may be classified as illiquid and difficult to value.

**THE FUND INVOLVES A HIGH LEVEL OF RISK AND MAY NOT BE APPROPRIATE FOR EVERYONE.** Investors should consider the Fund only for the more aggressive portion of their portfolio. The Fund is not intended to be a complete investment program. The Fund is designed for long-term investors.

**Investment Process:** In choosing investments, the Investment Manager performs fundamental company analysis and focuses on stock selection. The Investment Manager evaluates the extent to which a company meets the quality growth criteria set forth below. All of the criteria are evaluated relative to the valuation of the security. The weight given to a particular investment criterion will depend upon the circumstances, and Fund holdings may not meet all of the following criteria:

- (a) the company should be, or should have the expectation of becoming, a significant provider in the primary markets it serves,
- (b) the company should have some distinctive attribute relative to present or potential competitors (this may, for example, take the form of proprietary products or processes, a unique distribution system, an entrenched brand name or an especially strong financial position relative to its competition),
- (c) the company should participate in an industry expected to grow rapidly due to economic factors or technological change or should grow through market share gains in its industry, and
- (d) the company should have a strong management team.

## **U.S. All Cap Growth Fund**

**Investment objective:** The U.S. All Cap Growth Fund seeks long-term capital appreciation.

**Main investment strategies:** The Fund invests primarily in a diversified portfolio of common equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), of U.S. growth companies of all sizes that are expected to exhibit quality growth characteristics. The Fund invests primarily in equity securities issued by companies that typically have a market capitalization no smaller than the smallest capitalized company, and no larger than the largest capitalized company, included in the Russell 3000<sup>®</sup> Index at the time of the Fund's investment. Securities of companies whose market capitalizations no longer meet this definition after purchase may continue to be held in the Fund. To a limited extent, the Fund may also purchase stocks of companies with business characteristics and growth prospects of companies in the Russell 3000<sup>®</sup> Index, but that may have a market capitalization outside the range of companies included in the index. The Fund may invest in equity securities through initial public offerings (IPOs) and private placements.

The U.S. All Cap Growth Fund is measured against Russell 3000<sup>®</sup> Growth Index as a primary index and the Standard & Poor's 500 as a secondary index.

The Fund may use techniques and instruments, as referred to in Appendix B headed "*Special Techniques and Instruments*", for hedging purposes only (e.g. hedge against the risk of unfavourable stock market movements, interest rate fluctuations, fluctuation of currencies), provided that the Fund shall ensure a correlation between the techniques and instruments and the securities or currencies being hedged. The Fund will not duplicate the composition of an index and/or enter into OTC derivative transactions, as referred to in Appendix A headed "*Investment Powers and Restrictions*". To a limited extent the Fund may invest in warrants and convertible securities which are described in Appendix B.

**Main risks of investing in the U.S. All Cap Growth Fund:** The Fund's returns will vary, and investors could lose money by investing in the Fund. Because the Fund invests most of its assets in equity securities, the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. In addition, there is the risk that individual securities may not perform as expected or a strategy used by the Investment Manager may fail to produce its intended result. Different investment styles (e.g., growth vs. value, quality bias, market capitalization focus) tend to shift in and out of favor depending on market conditions and investor sentiment, and at times when the investment style used by the Investment Manager for the Fund is out of favor, the Fund may underperform other equity funds that use different investment styles. The securities of smaller capitalized companies may be more volatile and less liquid than the securities of larger capitalized companies. In addition, smaller capitalized companies may be traded in low volumes. This can increase volatility and increase the risk that the Fund will not be able to sell the security on short notice at a reasonable price. The Fund's investments in IPOs are subject to high volatility and are of limited availability. Securities acquired through private placements may be classified as illiquid and difficult to value. To the extent that the Fund focuses its investments in particular industries, asset classes or sectors of the economy, any market changes affecting companies in those industries, asset classes or sectors may impact the Fund's performance. To the extent that a significant portion of the Fund's shares are held by a limited number of shareholders or their affiliates, there is a risk that the share trading activities of these

shareholders could disrupt the Fund's investment strategies, which could have adverse consequences for the Fund and other shareholders (e.g., by requiring the Fund to sell investments at inopportune times or causing the Fund to maintain larger-than-expected cash positions pending acquisition of investments). The Fund is designed for long-term investors.

**Investment Process:** In choosing investments, the Investment Manager performs fundamental company analysis and focuses on stock selection. The Investment Manager evaluates the extent to which a company meets the quality growth criteria set forth below. All of the criteria are evaluated relative to the valuation of the security. The weight given to a particular investment criterion will depend upon the circumstances, and Fund holdings may not meet all of the following criteria:

- (a) the company should be, or should have the expectation of becoming, a significant provider in the primary markets it serves,
- (b) the company should have some distinctive attribute to present or potential competitors (this may, for example, take the form of proprietary products or processes, a unique distribution system, an entrenched brand name or an especially strong financial position relative to its competition),
- (c) the company should participate in an industry expected to grow rapidly due to economic factors or technological change or should grow through market share gains in its industry, and
- (d) the company should have a strong management team.

## **Dynamic Diversified Allocation Fund**

**Investment objective:** The Dynamic Diversified Allocation Fund seeks to provide long-term capital growth and income, through investment in equity, debt securities, currencies and other UCITS or UCI traded world-wide. Investments will occur directly in those types of assets and/or through financial derivative instruments, to either hedge or increase, the Fund's market exposure, in taking either net long or net short financial derivative positions. The Fund will utilize a combination of traditional assets (such as equities and bonds) and investment strategies based on advanced derivative techniques resulting in a highly diversified portfolio. The Fund may seek exposure to each of real estate, private equity and commodities on ancillary basis, through investment in transferable securities (including Investment Trusts and REITs), financial derivative instruments on financial indices and Investment Funds (including Exchange Traded Funds) which invest in such asset classes. The Fund's performance objective is a rate of growth of +5% p.a. (gross of fees) in excess of the United Kingdom Harmonised Index of Consumer Prices over a full market cycle (defined as a 5 year time period). No assurance can be given that the Fund will meet its performance objective.

**Main investment strategies:** In pursuing the Fund's investment objective, the Fund will employ a dynamic diversified allocation strategy. This strategy attempts to exploit periodic market inefficiencies by taking long and short positions through the use of derivatives in various asset classes (e.g., equity, fixed income and currencies) with a view to profit from relative movements across and within such asset classes. The Investment Manager will use a top-down dynamic asset allocation strategy that focuses on general price movements in various asset classes and currencies combined with bottom-up security selection strategies actively managed by the Investment Manager. The Fund's dynamic top-down asset allocation strategy is based primarily on the fundamental investment valuations of asset classes and currencies. The Investment Manager believes that investment fundamentals determine future cash flows which will ultimately drive the value of asset classes and currencies. The Fund's dynamic top-down asset allocation strategy is designed to identify and exploit periodic discrepancies between fundamental values and market prices. These perceived value/price discrepancies are the foundation for the Fund's portfolio construction. The bottom-up security selection strategies that are contained in the Fund include strategies of the Investment Manager.

The Fund may also invest in U.S. mutual funds, whether they are managed by William Blair group companies or not, which focus on the performance of global commodities markets, provided that they comply with the requirements of the UCI Law and applicable regulations issued by the CSSF.

In choosing investments for its bottom-up security selection strategies, fundamental company analysis and security selection are the Investment Manager's primary investment criteria.

The Fund may use techniques and instruments for hedging and investment purposes, as referred to in Appendix B headed "*Special Techniques and Instruments*".

The Fund may not invest more than 10% of its net assets in aggregate in shares or units of other UCITS or other UCI.

**Main risks of investing in the Dynamic Diversified Allocation Fund:** The Fund may be subject to risks directly through investment in individual securities or indirectly through various instruments, including ETFs, exchange-traded notes or derivative instruments.

THE FUND INVOLVES A HIGH LEVEL OF RISK, AND MAY NOT BE APPROPRIATE FOR EVERYONE. The Fund is intended for long-term investors. In addition, the Fund is intended for investors who can accept the risks entailed in investing in derivative instruments. Investors could lose money by investing in the Fund. There can be no assurance that the Fund's investment objective will be achieved. The Fund is not intended to be a complete investment program and investors should only consider the Fund for the dynamic allocation portion of their portfolio. To the extent that a significant portion of the Fund's shares are held by a limited number of shareholders or their affiliates, there is a risk that the share trading activities of these shareholders could disrupt the Fund's investment strategies, which could have adverse consequences for the Fund and other shareholders (e.g., by requiring the Fund to sell investments at inopportune times or causing the Fund to maintain larger-than-expected cash positions pending acquisition of investments). The Fund is designed for long-term investors.

## **Emerging Markets Growth Fund**

**Investment objective:** The Emerging Markets Growth Fund seeks long-term capital appreciation.

**Main investment strategies:** Under normal market conditions, the Fund invests at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in emerging markets securities. The Fund invests primarily in a diversified portfolio of equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), issued by emerging market companies of all sizes, that the Investment Manager believes have above-average growth, profitability and quality characteristics. Emerging market companies, for purposes of the Fund, are companies organized under the laws of an emerging market country or that have securities traded principally on an exchange or over-the-counter in an emerging market country. Currently, emerging markets include every country in the world except the United States, Canada, Japan, Australia, New Zealand, Hong Kong, Singapore and most Western European countries. The Fund's investments are normally allocated among at least six different countries and no more than 50% of the Fund's equity holdings may be invested in securities of issuers in one country at any given time. The Fund may invest in equity securities through initial public offerings (IPOs) and private placements.

The Fund is measured against the MSCI Emerging Markets IMI (net) as its primary index.

The Fund may use techniques and instruments, as referred to in Appendix B headed "*Special Techniques and Instruments*", for hedging purposes only (e.g. hedge against the risk of unfavourable stock market movements, interest rate fluctuations, fluctuation of currencies), provided that the Fund shall ensure a correlation between the techniques and instruments and the securities or currencies being hedged. The Fund will not duplicate the composition of an index and/or enter into OTC derivative transactions, as referred to in Appendix A headed "Investment Powers and Restrictions". To a limited extent the Fund may invest in warrants and convertible securities which are described in Appendix B.

**Main risks of investing in the Emerging Markets Growth Fund:** The Fund's returns will vary, and investors could lose money by investing in the Fund. Because the Fund invests most of its assets in equity securities of emerging market companies, the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. In addition, there is the risk that individual securities may not perform as expected or a strategy used by the Investment Manager may fail to produce its intended result. Different investment styles (e.g., growth vs. value, quality bias, market capitalization focus) tend to shift in and out of favor depending on market conditions and investor sentiment, and at times when the investment style used by the Investment Manager for the Fund is out of favor, the Fund may underperform other equity funds that use different investment styles. Non-U.S. investments often involve additional risks, including political instability, differences in financial reporting standards and less stringent regulation of securities markets. These risks may be greatly increased in emerging market countries because the securities of emerging markets companies may be subject to greater volatility and less liquidity than companies in more developed markets. Because the securities held by the Fund usually will be denominated in currencies other than the U.S. dollar, changes in foreign currency exchange rates may adversely affect the value of the Fund's investments. The currencies of emerging market countries may experience a devaluation relative to the U.S. dollar, and continued devaluations may adversely affect the value of the Fund's assets denominated in such currencies.

Many emerging market countries have experienced substantial rates of inflation for many years, and continued inflation may adversely affect the economies and securities markets of such countries. The Fund is expected to incur operating expenses that are higher than those of funds investing exclusively in U.S. equity securities due to the higher custodial fees associated with non-U.S. securities investments. In addition, the Fund may invest in the securities of small capitalized ("small cap") companies, which may be more volatile and less liquid than securities of large capitalized ("large cap") companies. Small cap companies may also be traded in low volumes. This can increase volatility and increase the risk that the Fund will not be able to sell the security on short notice at a reasonable price. To the extent the Fund invests a significant portion of its assets in one country, the Fund will be more vulnerable to the risks of adverse economic or political forces in that country. To the extent that a significant portion of the Fund's shares are held by a limited number of shareholders or their affiliates, there is a risk that the share trading activities of these shareholders could disrupt the Fund's investment strategies, which could have adverse consequences for the Fund and other shareholders (e.g., by requiring the Fund to sell investments at inopportune times or causing the Fund to maintain larger-than-expected cash positions pending acquisition of investments). The Fund's investments in IPOs are subject to high volatility and are of limited availability. Securities acquired through private placements may be classified as illiquid and difficult to value.

**THE FUND INVOLVES A HIGH LEVEL OF RISK, AND MAY NOT BE APPROPRIATE FOR EVERYONE.** Investors should consider the Fund only for the more aggressive portion of their portfolio. In addition, the Fund is intended for investors who can accept the risks entailed in investing in securities of emerging market countries. Of course, there can be no assurance that the Fund will achieve its objective. The Fund is designed for long-term investors.

**Investment Process:** In choosing investments, the Investment Manager performs fundamental company analysis and focuses on stock selection. The Investment Manager generally seeks equity securities, including common stocks, of emerging market companies that historically have had superior growth, profitability and quality relative to local markets and relative to companies within the same industry worldwide, and that are expected to continue such performance. Such companies generally will exhibit superior business fundamentals, including leadership in their field, quality products or services, distinctive marketing and distribution, pricing flexibility and revenue from products or services consumed on a steady, recurring basis. These business characteristics should be accompanied by management that is shareholder return-oriented and that uses conservative accounting policies. Companies with above-average returns on equity, strong balance sheets and consistent, above-average earnings growth will be the primary focus. Stock selection will take into account both local and global comparisons.

The Investment Manager will vary the Fund's sector and geographic diversification based upon the Investment Manager's ongoing evaluation of economic, market and political trends throughout the world. In making decisions regarding country allocation, the Investment Manager will consider such factors as the conditions and growth potential of various economies and securities markets, currency exchange rates, technological developments in the various countries and other pertinent financial, social, national and political factors.



## **Emerging Markets Leaders Fund**

**Investment objective:** The Emerging Markets Leaders Fund seeks long-term capital appreciation.

**Main investment strategies:** Under normal market conditions, the Fund invests at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in emerging markets securities. The Fund invests primarily in a diversified portfolio of equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), issued by emerging market companies of all sizes, that the Investment Manager believes have above-average growth, profitability and quality characteristics. Under normal market conditions, the Fund typically holds a limited number of securities, (i.e., 50-80 securities). The Investment Manager seeks investment opportunities in companies at different stages of development, ranging from large, well-established companies to smaller companies at earlier stages of development, that are leaders in their country, industry or globally in terms of products, services or execution. Emerging market companies, for purposes of the Fund, are companies organized under the laws of an emerging market country or that have securities traded principally on an exchange or over-the-counter in an emerging market country. Currently, emerging markets include every country in the world except the United States, Canada, Japan, Australia, New Zealand, Hong Kong, Singapore and most Western European countries. The Fund's investments are normally allocated among at least six different countries and no more than 50% of the Fund's equity holdings may be invested in securities of issuers in one country at any given time. The Fund may invest in equity securities through initial public offerings (IPOs) and private placements.

The Fund is measured against the MSCI Emerging Markets Index (net) as its primary index.

The Fund may use techniques and instruments, as referred to in Appendix B headed "Special Techniques and Instruments", for hedging purposes only (e.g. hedge against the risk of unfavourable stock market movements, interest rate fluctuations, fluctuation of currencies), provided that the Fund shall ensure a correlation between the techniques and instruments and the securities or currencies being hedged. The Fund will not duplicate the composition of an index and/or enter into OTC derivative transactions, as referred to in Appendix A headed "Investment Powers and Restrictions". To a limited extent the Fund may invest in warrants and convertible securities which are described in Appendix B.

**Main risks of investing in the Emerging Markets Leaders Fund:** The Fund's returns will vary, and investors could lose money by investing in the Fund. Because the Fund invests most of its assets in equity securities of emerging market companies, the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. In addition, there is the risk that individual securities may not perform as expected or a strategy used by the Investment Manager may fail to produce its intended result. Because the Fund may focus its investments in a limited number of securities, its performance may be more volatile than a fund that invests in a greater number of securities. Different investment styles (e.g., growth vs. value, quality bias, market capitalization focus) tend to shift in and out of favor depending on market conditions and investor sentiment, and at times when the investment style used by the Investment Manager for the Fund is out of favor, the Fund may underperform other equity funds that use different investment styles. Non-U.S. investments often involve additional risks, including political instability, differences in financial reporting standards and less stringent regulation of securities markets. These risks may be greatly increased in emerging market countries

because the securities of emerging market companies may be subject to greater volatility and less liquidity than companies in more developed markets. Because the securities held by the Fund usually will be denominated in currencies other than the U.S. dollar, changes in foreign currency exchange rates may adversely affect the value of the Fund's investments. The currencies of emerging market countries may experience a devaluation relative to the U.S. dollar, and continued devaluations may adversely affect the value of the Fund's assets denominated in such currencies. Many emerging market countries have experienced substantial rates of inflation for many years, and continued inflation may adversely affect the economies and securities markets of such countries. The Fund is expected to incur operating expenses that are higher than those of funds investing exclusively in U.S. equity securities due to the higher custodial fees associated with non-U.S. securities investments. In addition, the Fund may invest in the securities of small capitalized ("small cap") companies, which may be more volatile and less liquid than securities of large capitalized ("large cap") companies. Small cap companies may also be traded in low volumes. This can increase volatility and increase the risk that the Fund will not be able to sell the security on short notice at a reasonable price. To the extent the Fund invests a significant portion of its assets in one country, the Fund will be more vulnerable to the risks of adverse economic or political forces in that country. To the extent that a significant portion of the Fund's shares are held by a limited number of shareholders or their affiliates, there is a risk that the share trading activities of these shareholders could disrupt the Fund's investment strategies, which could have adverse consequences for the Fund and other shareholders (e.g., by requiring the Fund to sell investments at inopportune times or causing the Fund to maintain larger-than-expected cash positions pending acquisition of investments). The Fund's investments in IPOs are subject to high volatility and are of limited availability. Securities acquired through private placements may be classified as illiquid and difficult to value.

**THE FUND INVOLVES A HIGH LEVEL OF RISK, AND MAY NOT BE APPROPRIATE FOR EVERYONE.** Investors should consider the Fund only for the more aggressive portion of their portfolio. In addition, the Fund is intended for investors who can accept the risks entailed in investing in securities of emerging market countries. Of course, there can be no assurance that the Fund will achieve its objective. The Fund is designed for long-term investors.

**Investment Process:** In choosing investments, the Investment Manager performs fundamental company analysis and focuses on stock selection. The Investment Manager generally seeks equity securities, including common stocks, of emerging market companies that historically have had superior growth, profitability and quality relative to local markets and relative to companies within the same industry worldwide, and that are expected to continue such performance. Such companies generally will exhibit superior business fundamentals, including leadership in their field, quality products or services, distinctive marketing and distribution, pricing flexibility and revenue from products or services consumed on a steady, recurring basis. These business characteristics should be accompanied by management that is shareholder return-oriented and that uses conservative accounting policies. Companies with above-average returns on equity, strong balance sheets and consistent, above-average earnings growth at reasonable valuation levels will be the primary focus. Stock selection will take into account both local and global comparisons.

The Investment Manager will vary the Fund's sector and geographic diversification based upon the Investment Manager's ongoing evaluation of economic, market and political trends throughout the world. In making decisions regarding country allocation, the Investment Manager will consider such factors as the conditions and growth potential of various economies and securities markets, currency

exchange rates, technological developments in the various countries and other pertinent financial, social, national and political factors.

## **Emerging Markets Small Cap Growth Fund**

**Investment objective:** The Emerging Markets Small Cap Growth Fund seeks long-term capital appreciation measured in US\$.

**Main investment strategies:** Under normal market conditions, the Fund invests at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in equity securities of emerging market small capitalization ("small cap") companies. The Fund invests primarily in a diversified portfolio of equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), issued by emerging market small cap companies that the Investment Manager believes have above average growth, profitability and quality characteristics. For purposes of the Fund, the Investment Manager considers a company to be a small cap company if it has a float adjusted market capitalization at the time of purchase no larger than the greater of \$3 billion or the largest capitalized company included in the MSCI Emerging Markets Small Cap Index (net). Securities of companies whose float adjusted market capitalization no longer meets this definition of small cap after purchase may continue to be held in the Fund. Emerging market companies, for purposes of the Fund, are companies organized under the laws of an emerging market country or that have securities traded principally on an exchange or over-the-counter in an emerging market country. Currently, emerging markets include every country in the world except the United States, Canada, Japan, Australia, New Zealand, Hong Kong, Singapore and most Western European countries. The Fund's investments are normally allocated among at least six different countries and no more than 50% of the Fund's equity holdings may be invested in securities of issuers in one country at any given time. The Fund may invest in equity securities through initial public offerings (IPOs) and private placements.

The Fund is measured against the MSCI Emerging Markets Small Cap Index (Net) as its primary index.

The Fund may use techniques and instruments, as referred to in Appendix B headed "Special Techniques and Instruments", for hedging purposes only (e.g. hedge against the risk of unfavourable stock market movements, interest rate fluctuations, fluctuation of currencies), provided that the Fund shall ensure a correlation between the techniques and instruments and the securities or currencies being hedged. The Fund will not duplicate the composition of an index and/or enter into OTC derivative transactions, as referred to in Appendix A headed "Investment Powers and Restrictions". To a limited extent the Fund may invest in warrants and convertible securities which are described in Appendix B.

**Main risks of investing in the Emerging Markets Small Cap Growth Fund:** The Fund's returns will vary, and investors could lose money by investing in the Fund. Because the Fund invests most of its assets in equity securities of emerging market small cap companies, the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. In addition, there is the risk that individual securities may not perform as expected or a strategy used by the Investment Manager may fail to produce its intended result. Different investment styles (e.g., growth vs. value, quality bias, market capitalization focus) tend to shift in and out of favor depending on market conditions and investor sentiment, and at times when the investment style used by the Investment Manager for the Fund is out of favor, the Fund may underperform other equity funds that use different investment styles. Non-U.S. investments often involve additional risks, including political instability, differences in financial reporting

standards and less stringent regulation of securities markets. These risks may be greatly increased in emerging market countries because the securities of emerging markets companies may be subject to greater volatility and less liquidity than companies in more developed markets. Because the securities held by the Fund usually will be denominated in currencies other than the U.S. dollar, changes in foreign currency exchange rates may adversely affect the value of the Fund's investments. The currencies of emerging market countries may experience a devaluation relative to the U.S. dollar, and continued devaluations may adversely affect the value of the Fund's assets denominated in such currencies. Many emerging market countries have experienced substantial rates of inflation for many years, and continued inflation may adversely affect the economies and securities markets of such countries. The Fund is expected to incur operating expenses that are higher than those of funds investing exclusively in U.S. equity securities due to the higher custodial fees associated with non-U.S. securities investments. In addition, the Fund invests primarily in the securities of small cap companies, which may be more volatile and less liquid than securities of large companies. Small cap companies may be traded in low volumes. This can increase volatility and increase the risk that the Fund will not be able to sell the security on short notice at a reasonable price. These risks are intensified for investments in micro-cap companies (i.e., companies with market capitalizations of \$250 million or less). To the extent the Fund invests a significant portion of its assets in one country, the Fund will be more vulnerable to the risks of adverse economic or political forces in that country. To the extent that a significant portion of the Fund's shares are held by a limited number of shareholders or their affiliates, there is a risk that the share trading activities of these shareholders could disrupt the Fund's investment strategies, which could have adverse consequences for the Fund and other shareholders (e.g., by requiring the Fund to sell investments at inopportune times or causing the Fund to maintain larger-than-expected cash positions pending acquisition of investments). The Fund's investments in IPOs are subject to high volatility and are of limited availability. Securities acquired through private placements may be classified as illiquid and difficult to value.

**THE FUND INVOLVES A HIGH LEVEL OF RISK, AND MAY NOT BE APPROPRIATE FOR EVERYONE.** Investors should consider the Fund only for the more aggressive portion of their portfolio. In addition, the Fund is intended for investors who can accept the risks entailed in investing in securities of emerging market countries. Of course, there can be no assurance that the Fund will achieve its objective. The Fund is designed for long-term investors.

**Investment Process:** In choosing investments, the Investment Manager performs fundamental company analysis and focuses on stock selection. The Investment Manager generally seeks equity securities, including common stocks, of emerging market companies that historically have had superior growth, profitability and quality relative to local markets and relative to companies within the same industry worldwide, and that are expected to continue such performance. Such companies generally will exhibit superior business fundamentals, including leadership in their field, quality products or services, distinctive marketing and distribution, pricing flexibility and revenue from products or services consumed on a steady, recurring basis. These business characteristics should be accompanied by management that is shareholder return-oriented and that uses conservative accounting policies. Companies with above-average returns on equity, strong balance sheets and consistent, above-average earnings growth will be the primary focus. Stock selection will take into account both local and global comparisons.

The Investment Manager will vary the Fund's sector and geographic diversification based upon the Investment Manager's ongoing evaluation of economic, market and political trends throughout the world. In making decisions regarding country allocation, the Investment Manager will consider such factors as the conditions and growth potential of various economies and securities markets, currency exchange rates, technological developments in the various countries and other pertinent financial, social, national and political factors.

## **Global Leaders Fund**

**Investment Objective:** The Global Leaders Fund seeks long-term capital appreciation measured in US\$.

**Main investment strategies:** Under normal market conditions, the Fund invests at least 80% of its total assets in a diversified portfolio of equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), issued by companies of all sizes worldwide, that the Investment Manager believes have above-average growth, profitability and quality characteristics. The Investment Manager seeks investment opportunities in companies at different stages of development, ranging from large, well-established companies to smaller companies at earlier stages of development, that are leaders in their country, industry or globally in terms of products, services or execution. The Fund's investments are normally allocated among at least six different countries and no more than 65% of the Fund's equity holdings may be invested in securities of issuers in one country at any given time. Under normal market conditions, at least 40% of the Fund's assets will be invested in companies located outside the U.S. Normally, the Fund's investments will be divided among the United States, Continental Europe, the United Kingdom, Canada, Japan and the markets of the Pacific Basin. The Fund may invest the greater of 35% of its net assets or twice the emerging markets component of the MSCI All Country World Investable Market Index (IMI) (net) in emerging markets, which includes every country in the world except the United States, Canada, Japan, Australia, New Zealand, Hong Kong, Singapore and most Western European countries. The Fund may invest in equity securities through initial public offerings (IPOs) and private placements.

The Fund is measured against the MSCI All Country World (IMI) Index (net) as its primary index.

The Fund may use techniques and instruments, as described in Appendix B headed "*Special Techniques and Instruments*", for hedging purposes only (e.g. hedge against the risk of unfavourable stock market movements, interest rate fluctuations, fluctuation of currencies), provided that the Fund shall ensure a correlation between the techniques and instruments and the securities or currencies being hedged. The Fund will not duplicate the composition of an index and/or enter into OTC derivative transactions, as referred to in Appendix A headed "*Investment Powers and Restrictions*". To a limited extent the Fund may invest in warrants and convertible securities which are described in Appendix B.

**Main risk of investing in the Global Leaders Fund:** The Fund's returns will vary, and investors could lose money by investing in the Fund. Because the Fund invests most of its assets in equity securities of companies throughout the world, the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. In addition, there is the risk that individual securities may not perform as expected or a strategy used by the Investment Manager may fail to produce its intended result. Different investment styles (e.g., growth vs. value, quality bias, market capitalization focus) tend to shift in and out of favor depending on market conditions and investor sentiment, and at times when the investment style used by the Investment Manager for the Fund is out of favor, the Fund may underperform other equity funds that use different investment styles. Non-U.S. investments often involve additional risks, including political instability, differences in financial reporting standards and less stringent regulation of securities markets. Because the securities held by the Fund usually will be denominated in currencies other than the U.S. dollar, changes in foreign currency exchange

rates may adversely affect the value of the Fund's investments. The Fund is expected to incur operating expenses that are higher than those of funds investing exclusively in U.S. equity securities due to the higher custodial fees associated with non-U.S. securities investments. These non-U.S. investment risks are magnified in less-established, emerging markets. In addition, the Fund may invest in the securities of smaller companies, which may be more volatile and less liquid than securities of large companies. Smaller companies may be traded in low volumes. This can increase volatility and increase the risk that the Fund will not be able to sell the security on short notice at a reasonable price. To the extent the Fund invests a significant portion of its assets in one country, the Fund will be more vulnerable to the risks of adverse economic or political forces in that country. To the extent that a significant portion of the Fund's shares are held by a limited number of shareholders or their affiliates, there is a risk that the share trading activities of these shareholders could disrupt the Fund's investment strategies, which could have adverse consequences for the Fund and other shareholders (e.g., by requiring the Fund to sell investments at inopportune times or causing the Fund to maintain larger-than-expected cash positions pending acquisition of investments). The Fund's investments in IPOs are subject to high volatility and are of limited availability. Securities acquired through private placements may be classified as illiquid and difficult to value.

**THE FUND INVOLVES A HIGH LEVEL OF RISK, AND MAY NOT BE APPROPRIATE FOR EVERYONE.** Investors should consider the Fund only for the more aggressive portion of their portfolio. In addition, the Fund is intended for investors who can accept the risks entailed in investing in foreign securities. Of course, there can be no assurance that the Fund will achieve its objective. The Fund is designed for long-term investors.

**Investment Process:** In choosing investments, the Investment Manager performs fundamental company analysis and focuses on stock selection. The Investment Manager generally seeks equity securities, including common stocks, of companies that historically have had superior growth, profitability and quality relative to local markets and relative to companies within the same industry worldwide, and that are expected to continue such performance. Such companies generally will exhibit superior business fundamentals, including leadership in their field, quality products or services, distinctive marketing and distribution, pricing flexibility and revenue from products or services consumed on a steady, recurring basis. These business characteristics should be accompanied by management that is shareholder return-oriented and that uses conservative accounting policies. Companies with above-average returns on equity, strong balance sheets and consistent, above-average earnings growth will be the primary focus. Stock selection will take into account both local and global comparisons.

The Investment Manager will vary the Fund's sector and geographic diversification based upon the Investment Manager's ongoing evaluation of economic, market and political trends throughout the world. In making decisions regarding country allocation, the Investment Manager will consider such factors as the conditions and growth potential of various economies and securities markets, currency exchange rates, technological developments in the various countries and other pertinent financial, social, national and political factors.



## **Risk Factors – All Funds**

### **Exchange Rates**

The Reference Currency of each Fund is the US\$. Investments are made that best benefit the objective and performance of each Fund in the view of the Investment Manager.

Changes in foreign currency exchange rates may affect the value of the Shares held in the Funds which invest in non-U.S. investments and, of those Shares held in a Class denominated in a currency other than the US\$.

Shareholders investing in the Funds other than in their reference currency should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

### **Hedged Share Classes**

With regard to classes of Shares offered in a currency other than the Reference Currency of the relevant Fund which are hedged against currency risk, investors should note that the hedging strategy is designed to reduce, but not eliminate, exchange-rate risk. There is no guarantee that the exposure of the currency in which the Shares are denominated can be fully hedged against the Reference Currency of the relevant Fund. Investors should note that the hedging strategy is a passive investment strategy and is not intended for speculative purposes. The successful implementation of the hedging strategy may reduce the benefit of decreases in the value of their currency of investment in relation to the Reference Currency of the Fund.

### **Temporary Defensive Position**

Each Fund may significantly alter its make-up as a temporary defensive strategy. A defensive strategy will be employed only if, in the judgment of the Investment Manager, investments in a Fund's usual markets or types of securities become decidedly unattractive because of current or anticipated adverse economic, financial, political and social factors. Generally, a Fund will remain fully invested, and the Investment Manager will not attempt to time the market. However, for temporary defensive purposes, a Fund may invest up to 100% of its assets in other types of securities, including high-quality commercial paper, obligations of banks and savings institutions, U.S. Government securities, government agency securities and repurchase agreements, or it may retain funds in cash. When a Fund is invested defensively, it may not meet its investment objective.

### **Portfolio Turnover**

No Fund intends to trade portfolio securities for the purpose of realizing short-term profits. However, each Fund will adjust its portfolio as considered advisable in view of prevailing or anticipated market conditions and the Fund's investment objective, and there is no limitation on the length of time securities must be held by the Fund prior to being sold. Portfolio turnover rate will not be a limiting factor for a Fund. Each Fund's turnover rate will vary from year to year. Higher portfolio turnover rates involve correspondingly higher transaction costs, which are borne directly by a Fund. In addition, a Fund may realize significant short term and long-term capital gains.

## **Investment through nominees**

Investors wishing to invest in a Fund through a nominee that invests in a Fund in its name but on behalf of the investors should ensure they have an accurate understanding of their rights and of the means available to exercise these rights against the Fund when using the services of such nominee or in the case of registration through such nominee. To this end, investors should seek external advice if necessary.

## **EU General Data Protection Regulation**

The EU General Data Protection Regulation (the “GDPR”) will have direct effect in all EU Member States from 25 May 2018 and will replace current EU and Luxembourg data privacy laws. Although a number of basic existing principles will remain the same, the GDPR introduces new obligations on data controllers and processors and rights for data subjects, including, among others:

- accountability and transparency requirements, which will require data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing;
- enhanced data consent requirements, which includes “explicit” consent in relation to the processing of sensitive data;
- obligations to consider data privacy as any new products or services are developed and limit the amount of information collected, processed, stored and its accessibility;
- constraints on using data to profile data subjects;
- providing data subjects with personal data in a useable format on request and erasing personal data in certain circumstances; and
- reporting of breaches without undue delay (72 hours where feasible).

The GDPR also introduces new fines and penalties for a breach of requirements, including fines for serious breaches of up to the higher of 4% of annual worldwide turnover or €20m and fines of up to the higher of 2% of annual worldwide turnover or €10m (whichever is highest) for other specified infringements. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement).

If there are breaches of GDPR, the Company could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on its operations, financial condition and prospects.

## **Investment Risks**

The following table summarizes the types of principal risks described below that each Fund may experience.

	Market	Small Cap Stocks	IPO	Private Placement	Liquidity	Non-U.S. Investments	Emerging Markets	Geographic	Derivatives	Stock Connect	Operating Expenses
U.S. All-Cap Growth Fund	✓	✓	✓	✓	✓						
U.S. Small-Mid Cap Growth Fund	✓	✓	✓	✓	✓						
Emerging Markets Growth Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emerging Markets Leaders Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emerging Markets Small Cap Growth Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Global Leaders Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dynamic Diversified Allocation Fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

### Equity Funds General

Because each Fund invests substantially all of its assets in equity securities, the main risk is that the value of the equity securities it holds may decrease in response to the activities of an individual company or in response to general market, business and economic conditions. If this occurs, a Fund's share price may also decrease. In addition, there is the risk that individual securities may not perform as expected or a strategy used by the Investment Manager may fail to produce its intended result.

### Market Risk

The value of the securities owned by a Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The value of a security may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

### Small Cap Stock Risk

Stocks of small cap companies involve greater risk than those of larger, more established companies. This is because small cap companies may be in earlier stages of development, may be dependent on a small number of products or services, may lack substantial capital reserves and/or do not have proven track records. Small cap companies may be more adversely affected by poor economic or market conditions, and may be traded in low volumes, which may increase volatility and liquidity risks. From time to time, each of the Funds that invest in small cap stocks may invest in the equity securities of very small cap companies, often referred to as "micro-cap" companies. For purposes of the Funds, "micro-cap" companies are those with market capitalizations of \$250 million or less at the time of a Fund's investment. The considerations noted above are generally intensified for these investments. Any convertible debentures issued by small cap companies are likely to be lower-rated or non-rated securities, which generally involve more credit risk than debentures in the higher rating

categories and generally include some speculative characteristics, including uncertainties or exposure to adverse business, financial or economic conditions that could lead to inadequate capacity to meet timely interest and principal payments.

### **Initial Public Offering ("IPO") Risk**

A Fund may participate in IPOs. IPOs are subject to high volatility and are of limited availability. A Fund's ability to obtain allocations of IPOs is subject to allocation by members of the underwriting syndicate to various clients and allocation by the Investment Manager among its clients. When a Fund is small in size, the Fund's participation in IPOs may have a magnified impact on the Fund's performance.

### **Private Placement Risk**

A Fund may invest in private placements. Investments in private placements may be difficult to sell at the time and at the price desired by a Fund; companies making private placements may make less information available than publicly offered companies; and privately placed securities are more difficult to value than publicly traded securities. These factors may have a negative effect on the performance of a Fund. Securities acquired through private placements are not registered for resale in the general securities market and may be classified as illiquid.

### **Liquidity Risk**

Investments that trade less can be more difficult or more costly to buy, or to sell, than more liquid or active investments. It may not be possible to sell or otherwise dispose of illiquid securities both at the price and within a time period deemed desirable by a Fund. Securities subject to liquidity risk in which a Fund may invest include emerging market securities, stocks of smaller companies, private placements, Rule 144A securities, below investment grade securities and other securities without an established market.

### **Non-U.S. Investment Risk**

The risks of investing in securities of non-U.S. issuers may include less publicly available information, less governmental regulation and supervision of non-U.S. stock exchanges, brokers and issuers, share registration and custody, a lack of uniform accounting, auditing and financial reporting standards, practices and requirements, the possibility of expropriation, seizure or nationalization, confiscatory taxation, limits on repatriation, adverse changes in investment or exchange control regulations, political instability, restrictions on the flow of international capital, imposition of foreign withholding taxes, fluctuating currencies, inflation, difficulty in obtaining and enforcing judgments against foreign entities or other adverse political, social or diplomatic developments that could affect a Fund's investments. Securities of some non-U.S. issuers are less liquid and their prices more volatile than the securities of U.S. companies. In addition, the time period for settlement of transactions in certain non-U.S. markets generally is longer than for U.S. markets.

Non-U.S. securities held by a Fund usually will be denominated in currencies other than the U.S. dollar. Therefore, changes in foreign exchange rates will affect the value of the securities held by a Fund either beneficially or adversely. Fluctuations in foreign currency exchange rates will also affect the dollar value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains, if any, available for distribution to shareholders.

## **Emerging Markets Risk**

Non-U.S. investment risk is typically intensified in emerging markets, which are the less developed and developing nations. Certain of these countries have in the past failed to recognize private property rights and have at times nationalized and expropriated the assets of private companies. Political, social and economic structures in many emerging market countries may be less established and may change rapidly. Such countries may also lack the social, political and economic characteristics of more developed countries. Unanticipated political, social or economic developments may affect the values of a Fund's investments in emerging market countries and the availability to a Fund of additional investments in these countries.

The currencies of certain emerging market countries have from time to time experienced a steady devaluation relative to the U.S. dollar, and continued devaluations may adversely affect the value of a Fund's assets denominated in such currencies. Many emerging market countries have experienced substantial rates of inflation for many years, and continued inflation may adversely affect the economies and securities markets of such countries.

The small size, limited trading volume and relative inexperience of the securities markets in these countries may make a Fund's investments in such countries illiquid and more volatile than investments in more developed countries. There may be little financial or accounting information available with respect to issuers located in these countries, and it may be difficult as a result to assess the value or prospects of an investment in such issuers.

The system of share registration and custody in some emerging market countries may create certain risks of loss (including in some cases the risk of total loss) and a Fund may be required to establish special custodial or other arrangements before making investments in these countries. There is an increased risk of uninsured loss due to lost, stolen or counterfeit stock certificates or unauthorized trading, or other fraudulent activity.

Prior governmental approval of non-domestic investments may be required and foreign investment in domestic companies may be subject to limitation in some emerging market countries. Foreign ownership limitations also may be imposed by the charters of individual companies in emerging market countries to prevent, among other concerns, violation of foreign investment limitations. Repatriation of investment income, capital and proceeds of sales by foreign investors may require governmental registration and/or approval in some developing countries. A Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation.

The economies of certain developing countries may be dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade.

## **Geographic Risk**

Although the Funds investing primarily in non-U.S. securities currently intend to maintain geographic diversification, the Funds have the flexibility to invest up to 50% (65% for Global Leaders Fund) of their equity holdings in securities of issuers in any one country. To the extent that

a Fund invests a significant portion of its assets in any one country, the Fund will be subject to greater risk of loss or volatility than if the Fund always maintained wide geographic diversity among the countries in which it invests. Investing in any one country makes a Fund more vulnerable to the risks of adverse securities markets, exchange rates and social, political, regulatory and economic events in that one country.

### **Derivatives**

The Funds investing primarily in non-U.S. securities may enter into forward foreign currency contracts ("forward currency contracts") in an effort to control some of the uncertainties of foreign currency rate fluctuations. The Funds may engage in forward currency contracts as an attempt to hedge against changes in foreign currency exchange rates affecting the values of securities that the Funds hold or intend to purchase. The Funds may also use forward currency contracts to hedge the value, in U.S. dollars, of securities it currently owns. The use of forward currency contracts to protect the value of securities against the decline in the value of a currency does not eliminate fluctuations in the underlying prices of the securities the Fund owns or intends to acquire, but it does fix a future rate of exchange. Although such contracts minimize the risk of loss resulting from a decline in the value of the hedged currency, they also limit the potential for gain resulting from an increase in the value of the hedged currency. The benefits of forward currency contracts to a Fund will depend on the ability of the Investment Manager to accurately predict future currency exchange rates.

The Dynamic Diversified Allocation Fund may also invest in options, futures and swaps. The risks associated with such derivatives include the risk that the derivative is not well correlated with the security, index or currency to which it relates, the risk that derivatives may not have the intended effects and may result in losses or missed opportunities, the risk that the Fund will be unable to sell the derivative because of an illiquid secondary market, the risk that a counterparty is unwilling or unable to meet its obligations, and the risk that the derivative transaction could expose the Fund to the effects of leverage, which could increase the Fund's exposure to the market and magnify potential losses. There is no guarantee that derivatives, to the extent employed, will have the intended effect, and their use could cause lower returns or even losses to the Fund. The use of derivatives by the Fund to hedge risk may reduce the opportunity for gain by offsetting the positive effect of favorable price movements. The use of over-the-counter derivatives subjects the Fund to credit risk of the counterparty instrument. The use of certain derivatives provides exposure to the underlying market or other reference asset in excess of the cash investment of the Fund. The use of derivatives can magnify gains and losses.

The Dynamic Diversified Allocation Fund may also invest in credit default swaps. Credit default swaps are subject to the risk that the Investment Manager will not properly assess the risk of the underlying issuer. If the Fund is selling credit protection, there is a risk that a credit event will occur and that the Fund will have to pay the counterparty. If the Fund is buying credit protection, there is a risk that no credit event will occur and the Fund will receive no benefit for the premium paid.

A Fund's investments in derivatives and other financial instruments that involve counterparties subject the Fund to the risk that the counterparty could default on its obligations under the agreement, either through the counterparty's bankruptcy or failure to perform its obligations. In the event of default, the Fund could experience lengthy delays in recovering some or all of its assets as a result of bankruptcy or other reorganization proceedings. The Fund could also experience limited recoveries or no recovery at all, and the value of an investment in the Fund could decline as a result.

In addition, the Fund may default under an agreement with a counterparty which could adversely affect the Fund's investing activities.

### **Stock Connect**

The Shanghai-Hong Kong Stock Connect (the "**Stock Connect**") is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("**HKEX**"), the Shanghai Stock Exchange ("**SSE**"), the Shenzhen Stock Exchange ("**SZSE**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**") with an aim to achieve mutual stock market access between the People's Republic of China ("**PRC**") and Hong Kong. Under the Stock Connect, the Dynamic Diversified Allocation Fund, Emerging Markets Growth Fund, Emerging Markets Leaders Fund, Emerging Markets Small Cap Growth Fund and Global Leaders Fund (collectively, the "**Stock Connect Funds**") may trade certain eligible shares listed on the SSE and SZSE. The trading is subject to rules and regulations issued from time to time.

*Quota Limitations.* The Stock Connect is subject to quota limitations; in particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict a Stock Connect Fund's ability to invest through the Stock Connect on a timely basis, and the relevant Stock Connect Fund may not be able to effectively pursue its investment strategy.

*Legal/Beneficial Ownership.* The SSE and SZSE shares in respect of the Stock Connect Funds are held by the Depository/sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System maintained by the Hong Kong Securities Clearing Company Limited ("**HKSCC**") as central securities depository in Hong Kong. HKSCC in turn holds the SSE and SZSE shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. The precise nature and rights of the Stock Connect Funds as the beneficial owners of the SSE and SZSE shares through HKSCC as nominee is not well defined under PRC law. Because HKSCC is only a nominee holder and not the beneficial owner of SSE or SZSE Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that SSE and SZSE Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in SSE or SZSE Shares in Mainland China. Foreign investors like the concerned Stock Connect Funds investing through the Stock Connect holding the SSE or SZSE Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only.

*Clearing and Settlement Risk.* HKSCC and ChinaClear have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in SSE and SZSE Shares

under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Stock Connect Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

*Suspension Risk.* Each of the Stock Exchange of Hong Kong ("**SEHK**"), SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, a Stock Connect Fund's ability to access the PRC market will be adversely affected.

*Differences in Trading Day.* The Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. It is therefore possible that there are occasions when it is a normal trading day for the PRC market but the Stock Connect Funds cannot carry out any trading via the Stock Connect. The Stock Connect Funds may be subject to a risk of price fluctuations during the time when the Stock Connect is not trading as a result.

*Restrictions on Selling Imposed by Front-end Monitoring.* PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on sell orders of its participants (i.e., the stock brokers) to ensure there is no over-selling. If a Stock Connect Fund intends to sell certain shares it holds, it must transfer those shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Stock Connect Fund may not be able to dispose of its holdings in a timely manner.

*Operational Risk.* The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. A Stock Connect Fund's ability to access the market (and hence to pursue its investment strategy) may be adversely affected.

*Regulatory Risk.* The Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators/stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Stock Connect Funds may be adversely affected as a result of such changes.

*Recalling of Eligible Stocks.* When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect



the investment portfolio or strategies of the relevant Stock Connect Funds, for example, if the Investment Manager wishes to purchase a stock that is recalled from the scope of eligible stocks.

*No Protection by Investor Compensation Fund.* Investment in SSE and SZSE Shares via the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of Stock Connect Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorized financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE and SZSE Shares via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Stock Connect Funds are exposed to the risks of default of the broker(s) it engages in its trading through the Stock Connect.

### **Operating Expenses**

The Funds investing primarily in non-U.S. securities are expected to incur operating expenses that are higher than those of funds investing exclusively in U.S. securities because expenses such as custodial fees related to non-U.S. investments are usually higher than those associated with investments in U.S. securities. In addition, dividends and interest from non-U.S. securities may be subject to foreign withholding taxes.

### **Risk Management**

The Company and the Management Company will use a risk-management process that enables them to monitor and measure at any time the risk of the Funds' portfolio positions and their contribution to the overall risk profile of the Company. They use the commitment approach for the risk measurement and the calculation of global exposure of each of the Funds, other than the Dynamic Diversified Allocation Fund, in accordance with the most recent applicable guidelines of the European Securities and Markets Authority (ESMA). For the Dynamic Diversified Allocation Fund, market exposure will be calculated using an Absolute Value-at-Risk (VaR) approach.

The Company and the Management Company shall ensure that for the Funds using the commitment approach, global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The risk exposure is calculated taking into account the current value of the underlying assets.

### **Form of Shares**

All Shares are issued in un-certificated registered form, and the share register is conclusive evidence of ownership.

Shares are freely transferable (with the exception that Shares may not be transferred to a Prohibited Person or a US Person, as defined in the section headed "*Subscription Procedure*"). Upon issue, Shares are entitled to participate equally in the profits and dividends of the Funds as well as in their liquidation proceeds.

Shares do not carry any preferential or pre-emptive rights and each Share is entitled to one vote at all general meetings of shareholders. Fractions of Shares are not entitled to a vote, but are entitled to

participate in the distribution and liquidation proceeds. Shares are issued without par value and must be fully paid for on subscription.

Currently, categories are offered either (i) with accumulation of income or with distribution of income, (ii) in the Reference Currency or a Class Currency or (iii) with or without a currency hedge from the Class Currency to the Reference Currency of the Fund concerned, as detailed in the section headed "*Classes of Shares*".

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

### **Issue of Shares**

Shares will be issued at a price based on the net asset value (the "**Net Asset Value**"). Fractions of Shares up to three (3) decimal places will be issued, the Company being entitled to receive the adjustment.

**It should be remembered that the Net Asset Value per Share can go down as well as up.** An investor may not get back the entire amount it has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to charges. Changes in exchange rates may also cause the Net Asset Value per Share in the investor's base currency to go up or down. Neither the Management Company, the Company, the Investment Manager, any Director nor any of their advisors can give a guarantee as to the future performance of or the future return from the Company.

No Shares will be issued by the Company during any period in which the determination of the Net Asset Value of the Shares in the Funds is suspended by the Company, as noted under section headed "*Temporary Suspension of Determination of Net Asset Value*" in Appendix C.

### **Classes of Shares**

The Company currently offers institutional investors and nominees acting in their own name but on behalf of retail investors the Funds listed in the subsequent section headed "*Subscription for Shares*", which invest in accordance with their respective investment policies, as described herein.

The Company currently offers Class A Shares, Class B Shares, Class I Shares, Class D Shares, Class J Shares, Class R Shares and Class Z Shares as further described below. The following is a description of the Classes of Shares being offered:

#### Class A:

Class A Shares are offered to (i) retail investors purchasing Shares through distribution agents, platforms and/or other financial intermediaries outside of the European Economic Area ("**EEA**") and (ii) non-advised execution only platforms. A portion of the fee charged for Class A Shares may be paid to dealers, distribution agents and/or platforms for certain administrative shareholder services to their clients and/or maintenance fees (where legally permissible).

#### Class B:

Class B Shares are available to (i) retail investors purchasing Shares through certain distribution agents, platforms and/or other financial intermediaries within the EEA, (ii) product structures that purchase Class B Shares directly or on behalf of an end investor; and (iii) other investors at the

Global Distributor's discretion outside of the EEA. A portion of the fee charged for Class B Shares may be paid to dealers, distribution agents and/or platforms for certain administrative shareholder services to their clients and/or maintenance fees (where legally permissible).

Class I:

Class I Shares are only offered to institutional investors (as such term is interpreted by the CSSF and any applicable laws and regulations from time to time in force in Luxembourg).

Class D:

Class D Shares are offered to certain institutional investors (as such term is interpreted by the CSSF and any applicable laws and regulations from time to time in force in Luxembourg), including credit institutions and other regulated professionals of the financial sector which invest in their own name.

Class J:

Class J Shares are made available only to certain institutional investors (as such term is interpreted by the CSSF and any applicable laws and regulations from time to time in force in Luxembourg). No portion of the fee charged for Class J Shares will be paid to dealers or distribution agents, unless for certain administrative services to their clients (where legally permissible).

Class R:

Class R Shares are offered to retail investors in certain limited circumstances for distribution through certain distribution agents, platforms and/or other financial intermediaries, which according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep commissions on a management fee. No commissions on management fee may be paid to any distributor or financial intermediary in relation to any of the "R" Shares.

Class Z:

Class Z Shares are only offered to institutional investors (as such term is interpreted by the CSSF and any applicable laws and regulations from time to time in force in Luxembourg) who have entered into a separate agreement with the Investment Manager. Class Z Shares are, *inter alia*, designed to accommodate an alternative charging structure whereby a fee covering investment management services is levied and collected by the Investment Manager directly from the investor, which is a client of the Investment Manager. As a result, the investment management fee will not be payable out of the net assets of a Fund attributable to Class Z Shares. Class Z Shares will, however, bear its *pro rata* share of any other applicable expenses, such as depositary fees, audit fees, regulatory fees, legal fees as well as any applicable taxes, charges and other expenses attributable to Class Z Shares as further described herein.

The amounts invested in all the Classes in each Fund are invested in a common underlying portfolio of investments. The Directors may decide to create further Classes within a Fund, which may differ in, *inter alia*, their charging structure, Dealing Currency, dividend policy or type of target investors, and in such cases, the Prospectus will be updated accordingly. The Classes may be sub-divided into Categories as described below.

## Treatment of income

Name of Class	Category	
	Accumulating	Distributing
Class A	A	A <sup>I</sup>
Class B	B	B <sup>I</sup>
Class I	I	I <sup>I</sup>
Class D	D	D <sup>I</sup>
Class J	J	J <sup>I</sup>
Class R	R	R <sup>I</sup>
Class Z	Z	Z <sup>I</sup>

The distribution Categories are indicated by the superscript I.

## Currency Hedging

Where a Class is offered in a currency other than the Reference Currency of the Fund (the "Class Currency"), Shares can be further sub-divided into the following Categories:

Name of Class	Category	
	Hedged	Un-Hedged
Class A	A <sup>H</sup>	A
Class B	B <sup>H</sup>	B
Class I	I <sup>H</sup>	I
Class D	D <sup>H</sup>	D
Class J	J <sup>H</sup>	J
Class R	R <sup>H</sup>	R
Class Z	Z <sup>H</sup>	Z

The hedged Categories are indicated by the superscript H.

Investors may select a hedged Category with the intention of mitigating the effect of fluctuations in the exchange rate between the Class Currency and the Reference Currency of the Fund. Investors should note that the hedging strategy is designed to reduce, but not eliminate, exchange-rate risk and that there is no guarantee that the currency exposure can be fully hedged. The hedging strategy is a passive investment strategy and is not intended for speculative purposes. The strategy may protect investors in the relevant hedged Category of Shares against a decrease in the value of the Reference Currency in relation to the Class Currency but it may also reduce the benefit to the investor of a decrease in the value of the Class Currency in relation to the Reference Currency.

All gains, losses and expenses arising from the hedging strategy are for the benefit of or are borne by the shareholders of the relevant Category of Shares. The additional costs involved in the hedging

strategy are the transaction costs relating to the instruments and contracts used to implement the hedge. In certain circumstances, there is a remote risk that currency hedging transactions in one hedged Category of Shares could result in liabilities which might affect the Net Asset Value of other Categories of Shares within the same Fund, amongst others due to the fact that collateral might need to be held by the entire Fund in relation to specific hedging transactions. Furthermore, the UCI Law does not provide for ring-fencing between classes of shares, although the assets and liabilities are contractually attributed to the specific Category of Shares.

The Company may implement the foreign exchange hedge by using any of the financial derivative instruments permitted in accordance with Appendix B of the Prospectus. At any time the hedging position may be over- or under-hedged in relation to the Net Asset Value of the Fund applicable to the relevant hedged Category of Shares. The Company will generally employ tolerance limits for the hedging level which are determined by and appropriate to the characteristics of the Sub-fund's assets and ongoing market conditions.

The Investment Manager may delegate non-discretionary hedging services to one or more third parties being highly rated financial institutions specialised in these types of transactions.

### Class Currencies

Classes may also be offered in the following different Class Currencies:

Class Currencies								
	US Dollar	Euro	British Pound	Swedish Krona	Swiss Franc	Norwegian Krone	Australian Dollar	Japanese Yen
<b>Class A</b>	A <sup>USD</sup>	A <sup>EUR</sup>	A <sup>GBP</sup>	A <sup>SEK</sup>	A <sup>CHF</sup>			
<b>Class B</b>	B <sup>USD</sup>	B <sup>EUR</sup>	B <sup>GBP</sup>	B <sup>SEK</sup>	B <sup>CHF</sup>			
<b>Class I</b>	I <sup>USD</sup>	I <sup>EUR</sup>	I <sup>GBP</sup>	I <sup>SEK</sup>	I <sup>CHF</sup>	I <sup>NOK</sup>	I <sup>AUD</sup>	
<b>Class D</b>	D <sup>USD</sup>	D <sup>EUR</sup>	D <sup>GBP</sup>	D <sup>SEK</sup>	D <sup>CHF</sup>	D <sup>NOK</sup>	D <sup>AUD</sup>	
<b>Class J</b>	J <sup>USD</sup>	J <sup>EUR</sup>	J <sup>GBP</sup>	J <sup>SEK</sup>	J <sup>CHF</sup>	J <sup>NOK</sup>	J <sup>AUD</sup>	J <sup>JPY</sup>
<b>Class R</b>	R <sup>USD</sup>	R <sup>EUR</sup>	R <sup>GBP</sup>	R <sup>SEK</sup>	R <sup>CHF</sup>			
<b>Class Z</b>	Z <sup>USD</sup>	Z <sup>EUR</sup>	Z <sup>GBP</sup>	Z <sup>SEK</sup>	Z <sup>CHF</sup>	Z <sup>NOK</sup>	Z <sup>AUD</sup>	

Class Currencies offered on all the Funds are listed below. Upon the offering of any additional Class Currencies, this Prospectus will be updated.

Currently the Company makes the following Classes and Categories available to investors:

Name Of Fund	Share Class Offered	Class Currency and Categories Offered
<b>U.S. All Cap Growth Fund</b>	A, B, D, I, J, R and Z	A <sup>USD</sup> B <sup>USD</sup> D <sup>USD</sup> I <sup>USD</sup> J <sup>USD</sup> R <sup>USD</sup> Z <sup>USD</sup>
<b>U.S. Small Mid-Cap Growth Fund</b>	A, B, I, D, J, R and Z	A <sup>USD</sup> , A <sup>I GBP</sup> , A <sup>H CHF</sup> B <sup>USD</sup> , B <sup>H CHF</sup> I <sup>USD</sup> , I <sup>I GBP</sup> D <sup>USD</sup> J <sup>USD</sup> , J <sup>I GBP</sup> , J <sup>H CHF</sup> R <sup>USD</sup> , R <sup>I GBP</sup> , R <sup>H CHF</sup> Z <sup>USD</sup>
<b>Dynamic Diversified Allocation Fund</b>	A, B, I, D, J, R and Z	A <sup>USD</sup> , A <sup>H EUR</sup> , A <sup>H GBP</sup> , A <sup>H SEK</sup> , A <sup>H CHF</sup> B <sup>USD</sup> , B <sup>H EUR</sup> , B <sup>H GBP</sup> , B <sup>H SEK</sup> , B <sup>H CHF</sup> I <sup>USD</sup> , I <sup>H EUR</sup> , I <sup>H GBP</sup> , I <sup>H SEK</sup> , I <sup>H NOK</sup> , I <sup>H CHF</sup> D <sup>USD</sup> , D <sup>H EUR</sup> , D <sup>H GBP</sup> , D <sup>H SEK</sup> , D <sup>H NOK</sup> , D <sup>H CHF</sup> J <sup>USD</sup> , J <sup>H EUR</sup> , J <sup>H GBP</sup> , J <sup>H SEK</sup> , J <sup>H NOK</sup> , J <sup>H CHF</sup> , J <sup>H JPY</sup> R <sup>USD</sup> , R <sup>H EUR</sup> , R <sup>H GBP</sup> , R <sup>H SEK</sup> , R <sup>H CHF</sup> Z <sup>USD</sup> , Z <sup>H EUR</sup> , Z <sup>H GBP</sup> , Z <sup>H SEK</sup> , Z <sup>H NOK</sup> , Z <sup>H CHF</sup> , Z <sup>AUD</sup> , Z <sup>H AUD</sup>
<b>Emerging Markets Growth Fund</b>	A, B, I, D, J, R and Z	A <sup>USD</sup> B <sup>USD</sup> I <sup>USD</sup> D <sup>USD</sup> J <sup>USD</sup> R <sup>USD</sup> Z <sup>USD</sup>
<b>Emerging Markets Leaders Fund</b>	A, B, I, D, J, R and Z	A <sup>USD</sup> B <sup>USD</sup> I <sup>USD</sup> , I <sup>H NOK</sup> D <sup>USD</sup> , D <sup>H NOK</sup> J <sup>USD</sup> , J <sup>I GBP</sup> R <sup>USD</sup> , R <sup>I GBP</sup>

		Z <sup>USD</sup> , Z <sup>H NOK</sup> , Z <sup>AUD</sup>
<b>Emerging Markets Small Cap Growth Fund</b>	A, B, I, D, J, R and Z	A <sup>USD</sup> B <sup>USD</sup> I <sup>USD</sup> D <sup>USD</sup> J <sup>USD</sup> R <sup>USD</sup> Z <sup>USD</sup>
<b>Global Leaders Fund</b>	A, B, I, D, J, R and Z	A <sup>USD</sup> , A <sup>EUR</sup> , A <sup>GBP</sup> B <sup>USD</sup> I <sup>USD</sup> , I <sup>EUR</sup> , I <sup>GBP</sup> , I <sup>H NOK</sup> D <sup>USD</sup> , D <sup>H NOK</sup> J <sup>USD</sup> , J <sup>EUR</sup> , J <sup>GBP</sup> R <sup>USD</sup> , R <sup>EUR</sup> , R <sup>GBP</sup> Z <sup>USD</sup> , Z <sup>H NOK</sup> , Z <sup>I USD</sup> , Z <sup>I H NOK</sup> , Z <sup>AUD</sup>

## Subscription for Shares

### Subscription Procedure

An investor's first subscription for Shares must be made in writing or by fax (with original document to follow by mail) to the Central Administration in Luxembourg or to a distributor, if any, as indicated in the subscription form (the "**Subscription Form**"). Subsequent subscriptions for Shares may be made in writing or by fax. Joint subscribers must both sign the Subscription Form unless a power of attorney, in a form acceptable to the Company, is provided.

The Directors reserve their discretionary right to reject any specific subscription, either in whole or in part.

The Directors may further decide in their sole discretion to refuse, for one or more Fund(s), any subscription for a determined or undetermined period of time (the "**Fund Closure**") and the following distinction applies:

- if the Fund Closure concerns both existing and new shareholders, the Company will (i) publish a notice to shareholders indicating, *inter alia*, the denomination of the Fund concerned and the duration of the Fund Closure and (ii) indicate the Fund Closure in the next following Annual Report or Semi-Annual Report, as the case may be, for the whole duration of the Fund Closure; or
- if the Fund Closure concerns solely new shareholders, the Company will indicate the Fund Closure in the next following Annual Report or Semi-Annual Report, as the case may be, for the whole duration of the Fund Closure.

For the avoidance of doubt, it is expressly stated that the Fund Closure does not entail the liquidation of the Fund concerned which will only be closed for additional subscriptions (of existing and/or new shareholders, as the case may be).

The minimum initial and subsequent investments for all Classes in each Fund are as set out in the table below. The Directors may, in their discretion, waive or modify such minimum limits. These amounts will be converted into the Dealing Currency of each Category at the exchange rate applicable on the relevant Dealing Day (as defined below).

<b>Name Of Fund</b>	<b>Minimum initial investment for Classes I and D</b>	<b>Minimum initial investment for Class J</b>	<b>Minimum initial investment for Class Z</b>	<b>Minimum initial investment for Classes A and B</b>	<b>Minimum initial investment for Class R</b>	<b>Minimum subsequent investment for all Classes</b>
<b>U.S. All Cap Growth Fund</b>	US\$ 1 Million	US\$ 1 Million	US\$ 20 Million	US\$ 1,000.-	US\$ 1,000.-	None
<b>U.S. Small-Mid Cap Growth Fund</b>	US\$ 1 Million	US\$ 1 Million	US\$ 20 Million	US\$ 1,000.-	US\$ 1,000.-	None
<b>Emerging Markets Growth Fund</b>	US\$ 1 Million	US\$ 1 Million	US\$ 20 Million	US\$ 1,000.-	US\$ 1,000.-	None
<b>Emerging Markets Leaders Fund</b>	US\$ 1 Million	US\$ 1 Million	US\$ 20 Million	US\$ 1,000.-	US\$ 1,000.-	None
<b>Emerging Markets Small Cap Growth Fund</b>	US\$ 1 Million	US\$ 1 Million	US\$ 20 Million	US\$ 1,000.-	US\$ 1,000.-	None
<b>Global Leaders Fund</b>	US\$ 1 Million	US\$ 1 Million	US\$ 20 Million	US\$ 1,000.-	US\$ 1,000.-	None
<b>Dynamic Diversified Allocation Fund</b>	US\$ 1 Million	US\$ 10 Million	US\$ 20 Million	US\$ 1,000.-	US\$ 1,000.-	None



The day a subscription, redemption or conversion request is received by the Central Administration prior to 4:00 p.m. (Luxembourg time) (the "**Subscription Deadline**") on a Luxembourg Bank Business Day (as defined in Appendix C) is defined as a "**Dealing Day**". Such deals will be priced on the same Luxembourg Bank Business Day if the Dealing Day is a "**Valuation Day**" (as defined in Appendix C), or on the next Valuation Day.

Payment for all the Shares must be received by the Depositary in the Dealing Currency of the relevant Class (subject to the next following section headed "*Payment Procedure*") no later than three (3) Luxembourg Bank Business Days following the applicable Valuation Day.

Investors should note that they might be unable to purchase or redeem Shares through a distributor, if any, on any day during which such distributor is not open for business.

Any subscription request received by the Central Administration after the Subscription Deadline on any Dealing Day, or on any day that is not a Dealing Day, will be processed on the next Dealing Day on the basis of the Net Asset Value per Share determined on that Dealing Day.

The Company may restrict or prevent the ownership of Shares by any person, firm, partnership or corporate body, if in the sole opinion of the Company such holding may be detrimental to the interests of the existing shareholders or of the Company, if it may result in a breach of any law or regulation, whether in Luxembourg or otherwise, or if as a result thereof the Company may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred. Such persons, firms, partnerships or corporate bodies shall be determined by the Directors (the "**Prohibited Persons**"). Shares in Classes I, D, J and Z are reserved for institutional investors only, as defined in article 174 of UCI Law. Shares in Classes A, B and R are reserved for subscriptions by nominees acting in their own name but on behalf of retail investors.

As the Company is not registered under the United States Securities Act of 1933, as amended, nor has the Company been registered under the United States Investment Company Act of 1940, as amended, its Shares may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to residents thereof (hereinafter referred to as "**US Persons**").

Accordingly, the Company may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not it is, or will be, a Prohibited Person, an institutional investor (if applicable), a nominee acting on behalf of retail investors (if applicable) or a US Person.

The Company may issue Shares as consideration for a contribution in kind of securities, which correspond to the investment policy of the relevant Fund, in compliance with the conditions set forth by Luxembourg law, in particular the obligation to obtain a valuation report from an auditor.

If the Directors determine that it would be detrimental to the existing shareholders of the Company to accept a subscription for Shares in a Fund that represents more than ten (10) *per cent* of the net assets of that Fund, then it may postpone the acceptance of such subscription and, in consultation with the incoming shareholder, may require it to stagger its proposed subscription over an agreed period of time.

## **Payment Procedure**

The normal currency of payment for Shares will be the Dealing Currency of the Class concerned. A subscriber may, however, with the agreement of the Central Administration, effect payment to the Depositary in any other freely convertible currency. The Central Administration will arrange, on the Valuation Day concerned, for any necessary currency transaction to convert the subscription monies from the currency of subscription (the "**Subscription Currency**") into the Dealing Currency of the relevant Class. Any such currency transaction will be effected at the subscriber's cost and risk. Currency exchange transactions may however delay any issue of Shares since the Central Administration may choose in its discretion to delay the execution of any foreign exchange transaction until cleared funds have been received by it.

Subscription instructions accompany the Prospectus and may also be obtained from either the Central Administration or a distributor (if any).

If timely payment for Shares (as detailed under the section headed "*Subscription Procedure*") is not made (or a completed Subscription Form is not received for an initial subscription), the relevant issue of Shares may be cancelled, and a subscriber may be required to compensate the Company and/or any relevant distributor for any loss incurred in relation to such cancellation.

## **Notification of Transaction**

A confirmation statement will be sent to the subscriber (or its nominated agent if so requested by the subscriber) by ordinary post or fax as soon as reasonably practicable after the relevant Valuation Day, providing full details of the transaction. Subscribers should always check this statement to ensure that the transaction has been accurately recorded.

Subscribers will be given a personal account number (the "**Account Number**") on acceptance of their initial subscription, and this, together with the shareholder's personal details, is proof of their identity to the Company. The Account Number should be used by the shareholder for all future dealings with the Company, a correspondent bank, the Central Administration and any distributor (as appointed from time to time).

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

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

## **Rejection of Subscriptions**

The Company may reject any subscription in whole or in part, and it may, at any time and from time to time and in its absolute discretion without liability and without notice, discontinue the issue and sale of Shares in any Class in any one or more Fund(s).

### **Suspension of Net Asset Valuation**

No Shares will be issued by the Company with respect to a particular Fund during any period in which the determination of the Net Asset Value of the relevant Fund is suspended by the Company pursuant to the powers contained in the articles of incorporation of the Company and as indicated in Appendix C under "*Temporary Suspension of Determination of Net Asset Value*".

Notice of suspension will be given to subscribers, and subscriptions made or pending during a suspension period may be withdrawn by notice in writing received by the Central Administration prior to the end of the suspension period. Subscriptions not withdrawn will be processed on the first Valuation Day following the end of the suspension period, on the basis of the Net Asset Value per Share determined on such Valuation Day.

### **Subscription through nominees**

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

For the avoidance of doubt, in cases where a nominee invests into the Company in his own name but on behalf of several investors, any applicable minimum subscription and/or holding amounts will be assessed in chief of the nominee, without applying any look-through to the level of the individual, underlying investors.

### **Money Laundering Prevention**

Pursuant to international rules and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended) as well as circulars of the CSSF, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the Registrar And Transfer Agent of a Luxembourg undertaking for collective investment must ascertain *inter alia* the identity of the subscriber. The Registrar And Transfer Agent may *inter alia* require subscribers to provide acceptable proof of identity and for subscribers who are legal entities, an extract from the register of companies or articles of incorporation or other official documentation as required. In any case, the Registrar And Transfer Agent may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

Failure to provide proper documentation may result in the withholding of redemption proceeds by the Company.

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

**Late trading**

The Company determines the price of the Shares on a forward basis. This means that it is not possible to know in advance the Net Asset Value per Share at which Shares will be subscribed or redeemed (exclusive of any charges). Subscription applications have to be received and will be accepted for each Fund only in accordance with the deadlines laid down in the section headed "*Subscription Procedure*".

**Market timing**

The Funds are not designed for investors with short term investment horizons. Activities which may adversely affect the interests of the Company's shareholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Company as an excessive or short term trading vehicle are not permitted.

While recognising that shareholders may have legitimate needs to adjust their investments from time to time, the Directors of the Company in their discretion may, if it deems that such activities adversely affect the interests of the Company's shareholders, take action as appropriate to deter such activities.

Accordingly, if the Directors of the Company determine or suspect that a shareholder has engaged in such activities, they may suspend, cancel, reject or otherwise deal with that shareholder's subscription or conversion applications and take any action or measures as appropriate or necessary to protect the Company and its shareholders.

**Dividend policy**

Whether accumulation or distribution Categories have been issued in relation to a particular Class of a specific Fund is indicated in the section headed "*Classes of Shares*".

Each year the annual general meeting of shareholders will decide, based on a proposal from the Directors, on the use of the Company's net income in respect of the previous financial year ending 31 December for each distribution Category of every Fund (if any).

Along with the above mentioned distributions, the Directors may decide to pay interim dividends in the form and under the conditions as provided by Luxembourg law.

Part or all of the net income and realised and un-realised capital gains may be distributed provided that after the distribution the net assets of the Company equal or are above the minimum legal net assets which are currently set at one million two hundred and fifty thousand euro (EUR 1,250,000).

Distributions (if any) will be made in cash within two (2) weeks of the ex dividend date.

The payment of distributions from distributing Classes may also be reinvested, at the request of the shareholder, to purchase additional Shares in the relevant Fund.

Dividends will be declared in the relevant Class Currency.

Dividends remaining unclaimed for five (5) years after their declaration will be forfeited and revert to the relevant Category.

The part of the year's net income corresponding to accumulation Categories will be capitalised in the relevant Fund for the benefit of the accumulation Category.

### Company Charges

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

### Management Charges

The Investment Manager is entitled, for its services rendered or to be rendered to the Management Company and the Company in accordance with the investment management agreement, to a management fee (the "**Management Fee**") paid out of the net assets of the Fund concerned. Such Management Fee is payable monthly in arrears and calculated on the average daily net assets of the relevant Fund (before deduction of the Management Fee) at the annual rates set forth below:

<b>Name Of Fund</b>	<b>Management Fees Class A</b>	<b>Management Fees Class B</b>	<b>Management Fee Class I</b>	<b>Management Fee Class D</b>	<b>Management Fee Class J</b>	<b>Management Fees Class R</b>
<b>U.S. All Cap Growth Fund</b>	1.20%	1.65%	1.20%	1.65%	0.70%	0.70%
<b>U.S. Small-Mid Cap Growth Fund</b>	1.50%	1.90%	1.50%	1.90%	1.00%	1.00%
<b>Emerging Markets Growth Fund</b>	1.50%	1.90%	1.50%	1.90%	1.00%	1.00%
<b>Emerging Markets Leaders Fund</b>	1.40%	1.80%	1.40%	1.80%	0.90%	0.90%
<b>Emerging Markets Small Cap Growth Fund</b>	1.60%	2.00%	1.60%	2.00%	1.10%	1.10%
<b>Global Leaders Fund</b>	1.30%	1.70%	1.30%	1.70%	0.80%	0.80%
<b>Dynamic Diversified Allocation Fund</b>	1.10%	1.50%	1.10%	1.50%	0.75%	0.75%

In each Fund, no management fee will be levied on the shares issued in Class Z. Individual shareholders in Class Z will be charged a Management Fee in accordance with a separate agreement to be negotiated and entered into between the individual shareholder and the Investment Manager.

### Company Charges

Each of the Depositary, Management Company, Listing Agent, Central Administration (including domiciliary, corporate and paying agent functions) and Registrar and Transfer Agent are entitled to receive fees out of the net assets of the Company, pursuant to the relevant agreements between each of them and the Company or the Management Company, as the case may be, and in accordance with usual market practice.

In addition, reasonable disbursements and out-of-pocket expenses incurred by such parties are charged to the Company.

The Funds will also bear all other expenses incurred in relation with the operation of the Company which include, without limitation, taxes, expenses for legal and auditing services, cost of any proposed listings, maintaining such listings, shareholders' reports, Prospectuses, reasonable marketing and advertising expenses, costs of preparing, translating and printing the documents of the Company in different languages, all reasonable out-of-pocket expenses of the Directors and registration fees and other expenses payable to the supervisory authorities in any relevant jurisdiction, insurance costs, interest, brokerage costs and the costs of publication of the Net Asset Value per Share of the Funds, if applicable.

The allocation of costs and expenses will be made in accordance with the articles of incorporation of the Company.

Any formation expenses will be paid by the Company and will be amortised over a five-years period in equal instalments. Further Funds will only bear the formation and preliminary expenses relating to their own launching, which will be amortised over a five-years period in equal instalments.

### Total expense ratio

The total expense ratio of each Fund (the "TER") includes the relevant Management Fee and the Company's charges as laid down in section headed "Company Charges" above excluding interest and brokerage costs (together referred to as the "Operating Expenses"), and is capped at the following percentages, each *per annum* of the average daily net assets:

Name of Fund	Expense Cap for Class A	Expense Cap for Class B	Expense Cap for Class I	Expense Cap for Class D	Expense Cap for Class J	Expense Cap for Class R	Expense Cap for Class Z
U.S. All Cap Growth Fund	1.50%	1.95%	1.50%	1.95%	1.00%	1.00%	0.30%
U.S. Small-Mid Cap Growth Fund	1.80%	2.20%	1.80%	2.20%	1.30%	1.30%	0.30%

<b>Emerging Markets Growth Fund</b>	1.80%	2.20%	1.80%	2.20%	1.30%	1.30%	0.30%
<b>Emerging Markets Leaders Fund</b>	1.70%	2.10%	1.70%	2.10%	1.20%	1.20%	0.30%
<b>Emerging Markets Small Cap Growth Fund</b>	1.90%	2.30%	1.90%	2.30%	1.40%	1.40%	0.30%
<b>Global Leaders Fund</b>	1.60%	2.00%	1.60%	2.00%	1.10%	1.10%	0.30%
<b>Dynamic Diversified Allocation Fund</b>	1.25%	1.65%	1.25%	1.65%	0.90%	0.90%	0.15%

To the extent that the Operating Expenses incurred by the relevant Fund in any financial year exceed the Expense Cap, such excess amount shall be paid by the Investment Manager.

The Company will publish a notice to shareholders thirty (30) calendar days' before any increase in the TER from its current stated level.

The relevant Fund will reimburse the Investment Manager for any waived or reduced Management Fees and any other Fund expenses paid by the Investment Manager, if and when the TER of the relevant Fund is less than the applicable Expense Cap.

### **Conversion of Shares**

#### **Conversion Commission**

No conversion commission will be levied.

#### **Procedure for conversion**

With regard to a specific Fund, shareholders may convert all or part of their Shares in a Class into the corresponding amount of Shares in another Class if they comply with all the requirements with respect to the Class into which the Shares are to be converted. Shareholders need to do so by application in writing or by fax to the Company and the Registrar and Transfer Agent stating which Shares in a Class are to be converted in the corresponding amount of Shares in the other Class.

With respect to a specific Class, however, shareholders may convert all or part of their Shares in one Fund into Shares in the same Class of one or more Fund(s) by application in writing or by fax to the Company and the Registrar and Transfer Agent stating which Shares are to be converted into which Class and Fund(s).

The application for conversion must include either (i) the monetary amount the shareholder wishes to convert or (ii) the number of Shares the shareholder wishes to convert. In addition, the application for conversion must include the shareholder's personal details together with its identification number(s).

The application for conversion must be duly signed by the registered shareholder, save in the case of joint registered shareholders where an acceptable power of attorney has been provided to the Company and the Registrar and Transfer Agent.

Failure to provide any of this information may result in delay of the application for conversion.

Shareholders should note that if an application for conversion relates to a partial conversion of an existing holding of Shares and the remaining balance within the existing holding is below the minimum requirement as detailed in the section headed "*Subscription Procedure*", the Company is not bound to comply with such application for conversion.

Applications for conversion received by the Company and the Registrar and Transfer Agent on a Luxembourg Business Day before the relevant Fund conversion deadline, which is 4:00 p.m. (Luxembourg time) (the "**Fund Conversion Deadline**"), will be processed on that Valuation Day using the Net Asset Value per Share determined on such Valuation Day based on the latest available prices in Luxembourg (as described in section headed "*Net Asset Value*"). It is a requirement that applications have been received by both the Company and the Registrar and Transfer Agent before the Fund Conversion Deadline.

Any application for conversion received by the Company and/or the Registrar and Transfer Agent after the Fund Conversion Deadline will be processed on the next following Valuation Day on the basis of the Net Asset Value per Share determined on such Valuation Day.

The rate at which all or part of the Shares in one Fund are converted into Shares in another new Fund is determined in accordance with the following formula:

$$A = \frac{(B \times C \times D)}{E}$$

where:

- A is the number of Shares to be allocated in the new Fund;
- B is the number of Shares of the Fund to be converted;
- C is the Net Asset Value per Share of the relevant Class in the converted Fund, as determined on the relevant Valuation Day;
- D is the actual rate of foreign exchange on the day concerned in respect of the Reference Currency of the Fund to be converted and the Reference Currency of the new Fund, and is equal to 1 in relation to conversions between Funds denominated in the same Dealing Currency;
- E is the Net Asset Value per Share of the relevant Class in the new Fund, as determined on the relevant Valuation Day, plus any taxes, commissions or other fees.



The above applies mutatis mutandis to the conversion between Classes in the same Fund, subject to the shareholder concerned complying with all the requirements of the Class in which its shareholding concerned shall be converted to.

#### *Notification of Transaction*

Following such conversion of Shares, the Registrar and Transfer Agent will inform the shareholder concerned of the number of Shares of the new Fund and/or Class obtained by conversion and the price thereof. Fractions of Shares in the new Fund and/or Class up to three (3) decimal places will be issued, the Company being entitled to receive the adjustment.

#### **Redemption of Shares**

Shares may be redeemed either in whole or in part on any Dealing Day at a redemption price calculated on the basis of the Net Asset Value per Share as determined on the Valuation Day (the "**Redemption Price**").

On payment of the Redemption Price, the corresponding Shares will be cancelled immediately in the Company's Share register. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are redeemed will be charged. The Funds shall at all times maintain sufficient liquidity to satisfy any redemption requests for Shares.

The Company will have the right, if the Board of Directors so determines and with the consent of the shareholder concerned, to satisfy payment of the redemption price to any shareholder in kind by allocating to such shareholder investments from the pool of assets set up in connection with such Classes of Shares equal in value (calculated in a manner as described in Appendix C hereof) as of the Valuation Day on which the Redemption Price is calculated to the value of Shares to be redeemed. The nature and type of the assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other shareholders of the relevant Class of Shares, and the valuation used may be confirmed by a special report of the auditor. The cost of such transfer shall be borne by the transferee.

#### **Redemption Commission**

No redemption commission will be levied.

#### **Procedure for Redemption**

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

The application for redemption of any Shares must include either (i) the monetary amount the shareholder wishes to redeem or (ii) the number of Shares the shareholder wishes to redeem.

In addition, the application for redemption must include the shareholder's personal details together with its account number. Failure to provide any of the aforementioned information may result in delay of such application for redemption whilst verification is being sought from the shareholder.

Subject to the provisions explained below under the section headed "*Temporary Suspension of Redemption*", applications for redemption will be considered by the Company as irrevocable and must be duly signed by all registered shareholders, save in the case of joint registered shareholders

where an acceptable power of attorney has been provided to the Company and the Registrar and Transfer Agent.

Redemption applications for Shares received by the Central Administration prior to 4:00 p.m. (Luxembourg time) on any Luxembourg Bank Business Day corresponding to the applicable Valuation Day (the "**Redemption Deadline**") will be processed on that Dealing Day at the Net Asset Value per Share as determined on such Dealing Day, based on the latest available prices in Luxembourg (as described in Appendix C).

Shareholders should note that they might be unable to redeem Shares through a distributor, if any, on days during which such distributor is not open for business or on which the New York Stock Exchange is closed.

Any application for redemption received by the Central Administration on any Dealing Day after the Redemption Deadline, or on any day that is not a Dealing Day, will be processed on the next following Dealing Day on the basis of the Net Asset Value per Share as determined on the same Valuation Day.

A confirmation statement will be sent by ordinary post to the relevant shareholder, detailing the redemption proceeds due as soon as reasonably practicable after the Redemption Price of the Shares being redeemed has been determined. Shareholders should check this statement to ensure that the transaction has been accurately recorded in the Dealing Currency of the Class concerned. In calculating the redemption proceeds, the Company will round down to the nearest cent (0.01,-), the Company being entitled to receive the adjustment.

The Redemption Price per Share in each Fund may be higher or lower than the Subscription Price paid by the shareholder, depending on the Net Asset Value per Share of the relevant Fund at the time of redemption.

Payment for Shares redeemed will be effected in the relevant Dealing Currency of the Class concerned no later than three (3) Luxembourg Bank Business Days after the relevant Valuation Day, unless legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the control of the Depositary, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted. If necessary, the Central Administration will arrange the currency transaction required for the conversion of the redemption monies from the Dealing Currency of the relevant Class into the relevant redemption currency. Such currency transaction will be effected with the Depositary or a distributor, if any, at the relevant shareholder's cost and risk.

The Company shall ensure that the Funds have at all times enough liquidity to satisfy any redemption request. If the redemption and conversion requests exceed ten (10) *per cent* of the net assets of the relevant Fund, the Company may decide to delay the execution of such applications until the corresponding amount of assets of the Fund have been realised (without any unnecessary delay).

### **Temporary Suspension of Redemption**

The right of any shareholder to require the redemption of its Shares will be suspended during any period in which the determination of the Net Asset Value per Share is suspended by the Directors pursuant to the powers described in Appendix C. Notice of the suspension period will be given to

any shareholder tendering Shares for redemption. The withdrawal of an application for redemption will only be effective if written notification is received by the Central Administration before the termination of the period of suspension, failing which the Shares concerned will be redeemed on the first Valuation Day following the end of the suspension period on the basis of the Net Asset Value per Share determined on such Valuation Day.

### **Compulsory Redemption**

If the Company discovers at any time that Shares are owned by a Prohibited Person, a US Person, a non-institutional investor (if applicable) or not a nominee acting on behalf of retail investors (if applicable), either alone or in conjunction with any other person, whether directly or indirectly, the Directors may at their discretion and without liability, compulsorily redeem the Shares at the Redemption Price as described above after giving notice of at least thirty (30) days, and upon redemption, the Prohibited Person, the US Person, the non-institutional investor (as applicable) or the non-nominee acting on behalf of retail investors (if applicable) will cease to be the owner of those Shares. The Company may require any shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person, a US Person, a non-institutional investor (if applicable) or not a nominee acting on behalf of retail investors (if applicable).

### **Procedures for redemptions and conversions representing ten (10) per cent or more of the net assets of the relevant Fund**

If any application for redemption or conversion is received in respect of any one Dealing Day, which either singly or when aggregated with other such applications so received, represents more than ten (10) *per cent* of the net assets of the relevant Fund, the Company reserves the right, in its sole and absolute discretion and without liability (and in the reasonable opinion of the Directors that to do so is in the best interests of the remaining shareholders of the Company), to scale down each application, on a *pro rata* basis, with respect to such Dealing Day so that not more than ten (10) *per cent* of the net assets of the relevant Fund be redeemed or converted on such Dealing Day.

To the extent that any application for redemption or conversion is not given full effect on such Valuation Day by virtue of the exercise by the Company of its power to pro-rate applications, 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 in respect of the next Valuation Day and, if necessary, subsequent Valuation Days, until such application shall have been satisfied in full.

With respect to any application received in respect of such Valuation Day, to the extent that subsequent applications shall be received in respect of following Valuation Days, such later applications shall be postponed in priority to the satisfaction of applications relating to such first Valuation Day, but subject thereto shall be dealt with as set out above.

### **Taxation**

The following section is a short summary of certain important taxation principles that may be or become relevant with respect to the Company and its Funds.

This section does not purport to be a complete summary of tax law and practice currently applicable in Luxembourg and does address in full the taxation of the Company or any of its Funds in any other

jurisdiction or the taxation of any legal entity, partnership or UCI in which the Company or any of its Funds hold an interest. The following summary is based on laws, regulations and practice currently applicable in the Grand Duchy of Luxembourg at the date of this prospectus and is subject to changes therein, possibly with retroactive effect.

Prospective investors should consult their own professional tax advisers in respect of the possible tax consequences of subscribing for, buying, holding, redeeming, converting or selling the shares of the Company or of its Funds under the laws of their countries of citizenship, residence, domicile or incorporation.

### **The Company**

Under current laws and administrative practice, the Company (or any of its Funds) is not liable to any Luxembourg corporate income tax, municipal business tax and net worth tax nor are dividends paid by the Company subject to any Luxembourg withholding tax.

The Company (or any of its Funds) is liable to an annual subscription tax (*taxe d'abonnement*) in Luxembourg calculated, in accordance with Article 174 of the UCI Law, at the rate of 0.05% of the net assets of the Company (or any of its Funds). This tax is payable quarterly on the basis of the net assets of the Company (or any of its Funds), calculated at the end of the quarter to which the tax relates.

However, provided the conditions in Article 174 of the UCI Law are fulfilled, the 0.05% rate may be reduced to 0.01% (i) for individual compartments of UCIs with multiple compartments as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments to one or more institutional investors (ii) undertakings having the exclusive object to invest in deposits with credit institutions or (iii) undertakings having the exclusive object to invest in money market instruments and the placing of deposit with credit institutions as defined by the Grand Ducal Decree of 14 April 2003.

The value of assets represented by units and shares held in other UCIs is however exempt from the subscription tax provided such units or shares have already been subject to this tax.

Moreover, according to Article 175 of the UCI Law the Company (as well as its individual Funds) benefits from an annual tax exemption if (i) its securities are listed or dealt in on at least one stock exchange or another regulated market, operating regularly and recognized and open to the public; and (ii) provided that its exclusive object is to replicate the performance of one or more indices. If several classes of securities exist within the Company or any of its Funds, the exemption only applies to classes fulfilling the condition of sub-point (i).

No stamp duty or other tax is payable in Luxembourg on the issue of shares by an undertaking for collective investment organised the provisions of Part I of the UCI law.

A fixed registration duty of EUR 75 will be due on amendments of the Company's articles of incorporation.

Dividends and interest, if any, received by the Company or any of its Funds from investments may be subject to taxes in the countries concerned at varying rates, such (withholding) taxes usually not being recoverable. The Company may be liable to certain other foreign taxes.

## **Shareholders**

Under present Luxembourg law and administrative practice and subject to any amendment thereof, the shareholders are not liable to any taxation in Luxembourg in relation to the holding, sale, redemption or assignment of the Shares (except for shareholders domiciled, resident or having a permanent establishment in Luxembourg).

Prospective investors 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 also of the current tax status of the Company in Luxembourg.

## **Common Reporting Standard**

Prospective investors and shareholders shall comply with the obligations arising under the Common Reporting Standard ("**CRS**") which has been implemented in Luxembourg by the law dated 18 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU. To ensure the Company's compliance with CRS and avoid any penalty up to EUR 250,000, the Company, the Management Company, the Registrar, the Transfer Agent, the Depository and/or the Global Distributor and/or any of their respective agents or representatives may:

- a. conduct due diligence and obtain information or documentation, including self-certification forms, confirming the tax residency, tax identification number and CRS classification of the shareholders;
- b. report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities; and/or
- c. report information (which may vary depending on the nature of the account) to the Luxembourg tax authorities in relation to the activity taking place in the reportable account of a shareholder and the balance of reportable accounts.

Prospective investors and shareholders should consult with their own tax advisors regarding the possible implications of CRS to their particular circumstances.

## **U.S. Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")**

Shareholders and applicants should note that FATCA and its related regulations generally impose a new reporting regime and potentially a 30% withholding tax with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends. As a general matter, the new rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the IRS. The 30% withholding tax regime applies if there is a failure to provide required information regarding U.S. ownership.

In order to protect the shareholders from the effect of any withholding penalty, it is the intention of the Company to be compliant with the requirements of FATCA as it applies to entities such as the

Company. The Company may, through its agents or service providers, as far as legally permitted, be required to report information on the holdings or investment returns of any shareholder, or other investor investing through a nominee or other intermediary that invests in the Company in its name but on behalf of such investor. The Company may also be required to apply withholding tax to payments to investors who (i) fail to provide the information and documents required to identify their status, or (ii) are non-FATCA compliant financial institutions or (iii) fall within other categories specified in the regulations. As such, the Company may require all shareholders to provide mandatory documentary evidence of their tax residence and all other information deemed necessary to comply with FATCA. In order to protect the interest of all shareholders, the Company reserves the right, upon further clarity about the implementation of FATCA, without further notice to widen the definition of "Prohibited Persons" that are subject to compulsory redemptions.

Despite anything else herein contained and as far as permitted by Luxembourg law or related intergovernmental tax treaties, the Company shall have the right to:

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any holding in the Company;
- Require any shareholder or beneficial owner of Shares to promptly furnish such personal data as may be required by the Company in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;
- Withhold the payment of any dividend or redemption proceeds to a shareholder until the Company holds sufficient information to enable it to determine the correct amount to be withheld; and
- As mentioned above, widen the definition of "Prohibited Persons" that are subject to compulsory redemptions.

### **Data Protection**

In the course of its business, the Company (and/or any of its delegates) collects, records, stores, adapts, transfers and otherwise processes information by which prospective investors may be directly or indirectly identified ("Personal Data"). The Company is a "data controller", within the meaning of "Data Protection Legislation" (defined as all applicable data protection laws and regulations including, without limitation, (i) the EU General Data Protection Regulation (Regulation (EU) 2016/579) ("GDPR") and (ii) any GDPR implementing legislation in respect of Luxembourg), and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

The Company may process an investor's data for any one or more of the following purposes and legal bases:

- operating the Funds, including managing and administering an investor's holding in the relevant Fund and any related accounts on an on-going basis (i.e., for the performance of the Company's contract with the investor);

- to comply with any applicable legal, tax or regulatory obligations, including legal obligations under company law, anti-money laundering legislation and financial services regulations;
- for any other legitimate business interests of the Company or a third party to whom the data is disclosed, where such interests are not overridden by the interests of a data subject, including for statistical analysis and market research purposes; or
- for any other specific purposes where investors have given their specific consent. Where processing of personal data is based on consent, the investors will have the right to withdraw it at any time.

The Investors are hereby informed that the Company may transfer Personal Data to third parties acting as "data processors", within the meaning of "Data Protection Legislation" (the "Processors") which, in the context of the above mentioned purposes, includes the Management Company, the Global Distributor, the Investment Manager, the Central Administration, the Depositary, the Registrar, the Transfer Agent, the Auditor, the Legal Adviser, or the Company's delegates and its or their duly authorized agents or representatives and any of their respective related, associated or affiliated companies (including companies situated in countries outside of the European Economic Area, "EEA". Where a Processor is located in a country that does not ensure an adequate level of protection for Personal Data, the Company, as data controller, has entered into legally binding transfer agreements with the relevant Processors in the form of the EU Commission approved model clauses. In this respect, the Investors have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Company at the address indicated at the end of this section. The Personal Data may also be transferred to third parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations (including the Data Protection Legislation). In particular, Personal Data may be disclosed to the Luxembourg tax authorities which in turn may, acting as data controller, disclose the same to foreign tax authorities (including for compliance with the FATCA/CRS obligations).

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to any limitation periods imposed by laws. The Company will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

The Company (and/or any of its delegates) will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place.

Where processing is carried out by a Processor on behalf of the Company, the Company shall engage a Processor who provides sufficient guarantees to implement appropriate technical and organisational security measures in such a manner that processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of the relevant data subjects. The Company will enter into a written contract with the Processor which will set out the Processor's specific mandatory obligations laid down in Data Protection Legislation, including to only process Personal Data on documented instructions from the Company.

In accordance with the conditions laid down by the Data Protection Legislation, the Investor acknowledge his/her/its right to:

- access his/her/its Personal Data;
- correct his/her/its Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her/its Personal Data;
- ask for erasure of his/her/its Personal Data; and
- ask for Personal Data portability.

Investors are required to provide their personal data for statutory and contractual purposes. Failure to provide the required data will result in the Company being unable to permit the investor's investment in the Funds and this may result in the Company terminating its relationship with the investor. Investors have a right to lodge a complaint with the Luxembourg National Commission for Data Protection (i.e., the *Commission Nationale pour la Protection des Données*) if they are unhappy with how the Company is handling their data.

The Investors may exercise their above rights by writing to the Company at the following address: 31, Z.A. Bourmicht, L - 8070 Bertrange.

## **General Information**

### **The Company**

The Company has been incorporated for an unlimited period of time on 2 February 2004 under Luxembourg law as a "*société d'investissement à capital variable*" (SICAV). The capital of the Company must not be less than the equivalent amount in US\$ of Euro 1,250,000.-.

The Company's articles of incorporation have been deposited with the Luxembourg Register for Trade and Companies and have been published in the *Mémorial C, Recueil des Sociétés et Associations* (the "*Mémorial*") on 19 February 2004. The latest amendments to the Company's articles of incorporation have been made on 28 September 2012 and were published in the *Mémorial* on 9 October 2012. The Company is registered with the Luxembourg Register for Trade and Companies under number B-98.806.

The Company's articles of incorporation may be amended from time to time by an extraordinary general meeting of shareholders, subject to the quorum and majority requirements provided by Luxembourg law. Any amendment thereto shall be published in the RESA (the Luxembourg *Recueil Electronique des Sociétés et Associations*), in a Luxembourg daily newspaper and, if necessary, in the official publications specified for the respective countries in which the Shares are sold. Such amendments become legally binding on all shareholders, following their approval by the extraordinary general meeting of shareholders.

The Company is a single legal entity. However, each Fund is regarded as being separate from the others and is only liable for its own obligations.

## **Management and Administration**

### *The Directors*

The Directors, whose names appear in the section headed "*Board of Directors*", are responsible for the information contained in the Prospectus. They have taken all reasonable care to ensure that at the date of the Prospectus the information contained herein is accurate and complete in all material respects. The Directors accept their responsibility accordingly.



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

There are no existing or proposed service contracts between any of the Directors and the Company or the Management Company.

#### *The Management Company*

The Company has appointed by an agreement dated 28 April 2006 FundRock Management Company S.A., a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg and having its registered office at 33, rue de Gasperich, L-5826 Hesperange, as its management company in accordance with the provisions of the UCI Law (the "**Management Company**").

The Management Company was incorporated in the form of a *société anonyme* on 10 November 2004 for an unlimited duration. The Management Company is approved as management company in accordance with chapter 15 of the UCI Law. The Management Company has a subscribed and paid-up capital of €10,000,000.-.

As of the date Prospectus, FundRock Management Company S.A. has also been appointed to act as management company for other funds and can be appointed in the future to act as management company for other funds. Such other funds will be mentioned in the financial reports of the Management Company.

As of the date of the Prospectus, the Management Company's Board of Directors consists of the following members:

- Mr Christophe Douche, Executive Director – Risks and Operations
- Mr Romain Denis, Executive Director – IT Projects Data Management & Strategy Projects
- Mr Ross Thomson, Executive Director, Ireland Branch
- Michel Vareika, Non-Executive Director, Luxembourg
- Tracey McDermott, Independent Non-Executive Director, Luxembourg
- Revel Wood, Executive Director, Chief Executive Officer, FundRock Management Company S.A.
- Eric May, Partner, BlackFin Capital Partners.

The *dirigeants*, as referred to in article 102 of the UCI Law and CSSF Circular 12/546, of the Management Company are:

- Mr Revel Justin Wood, Chief Executive Officer
- Mr Christophe Douche, Director – Risks and Operations
- Mr Gregory Nicolas, Director – Legal, Compliance & Corporate
- Mr Romain Denis, Director – IT Projects Data Management & Strategy Projects

- Mr Enda Fahy, Director – Alternative Investments.

The Management Company is, according to the Fund Management Agreement, entered into on 28 April 2006 between the Management Company and the Company, appointed to serve as the Company's designated management company. The Management Company shall in particular be responsible for the following functions:

- portfolio management of the Company;
- central administration, including *inter alia*, the calculation of the Net Asset Value, the procedure of registration, conversion and redemption of Shares and the general administration of the Company; and
- distribution and marketing of the Shares; in this respect the Management Company may, with the consent of the Company, appoint other distributors/nominees.

The rights and duties of the Management Company are governed by the UCI Law and the Fund Management Agreement entered into for an unlimited period of time.

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

The Management Company has established and applies a remuneration policy in accordance with principles laid out under the UCITS Directive and any related legal and regulatory provisions applicable in Luxembourg.

The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Company and of the investors in the Company, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules and articles of incorporation of the Company.

As an independent management company relying on a full-delegation model (i.e., delegation of the collective portfolio management function), the Management Company ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that the Management Company's employees who are identified as risk-takers in accordance with the UCITS Directive are not remunerated based on the performance of the Company.

The Management Company's remuneration policy, in a multi-year framework, ensures a balanced regime where remuneration both drives and rewards the performance of its employees in a measured, fair and well-thought-out fashion, which relies on the following principles:

- Identification of the persons responsible for awarding remuneration and benefits (under the supervision of the remuneration committee and subject to the control of an independent internal audit committee);

- Identification of the functions performed within the Management Company which may impact the performance of the Company;
- Calculation of remuneration and benefits based on the combination of individual and company's performance assessment;
- Determination of a balanced remuneration (fixed and variable);
- Implementation of an appropriate retention policy with regards to financial instruments used as variable remuneration;
- Deferral of variable remuneration over 3-year periods;
- Implementation of control procedures/adequate contractual arrangements on the remuneration guidelines set up by the Management Company's respective portfolio management delegates.

It should be noted that the Management Company's remuneration policy may be subject to certain amendments and/or adjustments.

Details of the up-to-date remuneration policy of the Management Company, including a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available at: [https://www.fundrock.com/pdf/Fundrock\\_Remuneration\\_policy.pdf](https://www.fundrock.com/pdf/Fundrock_Remuneration_policy.pdf). A paper version of this remuneration policy is made available free of charge to investors upon request at the Management Company's registered office.

For the time being, the duties of portfolio management, central administrative agent, which include the registrar and transfer agent duties, have been delegated as further detailed here-below.

#### *The Investment Manager*

Pursuant to an investment management agreement dated 1 October 2015, the Management Company has appointed William Blair Investment Management, LLC as Investment Manager to assist the Management Company with the management of the assets of the Funds. William Blair Investment Management, LLC was incorporated under the laws of the United States of America and is regulated in the United States of America by the Securities and Exchange Commission. William Blair Investment Management, LLC has capital of US\$ 40,000,000 as of 1 July 2016 and promotes and manages investment funds in the United States of America.

Pursuant to the investment management agreement mentioned above, the Management Company has expressly delegated to the Investment Manager the discretion, on a daily basis but subject to the overall control and responsibility of the Company, to purchase and sell securities as agent for the Company and otherwise to manage the portfolios of the Funds for the account and in the name of the Company in relation to specific transactions.

The aforementioned investment management agreement gives the Investment Manager the discretion to appoint, at its own cost, specialist asset management companies from within its group as sub-investment managers, in order to benefit from their expertise and experience in particular markets, subject to CSSF approval. The Investment Manager shall remain responsible for the proper performance by such party of those responsibilities.

### *The Global Distributor*

Pursuant to a global distribution agreement dated 27 September 2010, the Management Company has appointed William Blair & Company, L.L.C. as Global Distributor for the purpose of marketing, distributing and promoting the Shares of the Funds. Pursuant to the global distribution agreement, the Global Distributor may act as a nominee for its clients and such clients may have a right to address themselves directly to the Company and, as necessary, to terminate their agreement with the Global Distributor acting as nominee unless the nominee services are indispensable or even mandatory by law, regulations or binding practices.

### *The Depositary and Paying Agent*

#### Introduction and Key Duties

The Company has, under the terms of the depositary agreement (the "**Depositary Agreement**"), engaged Citibank Europe plc, Luxembourg Branch (the "**Depositary**") as depositary of the Company's assets. The Depositary shall also be responsible for the oversight of the Company 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 key duties of the Depositary are to perform on behalf of the Company the depositary duties referred to in the UCI Law essentially consisting of:

- (i) monitoring and verifying the Company's cash flows;
- (ii) safekeeping of the Company's assets, including *inter alia* holding in custody financial instruments that may be held in custody and verification of ownership of other assets;
- (iii) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the articles of incorporation of the Company and applicable Luxembourg law, rules and regulations;
- (iv) ensuring that the value of the Shares is calculated in accordance with the articles of incorporation of the Company and applicable Luxembourg law, rules and regulations;
- (v) ensuring that in transactions involving Company's assets any consideration is remitted to the Company within the usual time limits;
- (vi) ensuring that the Company's income is applied in accordance with the articles of incorporation of the Company, and applicable Luxembourg law, rules and regulations; and
- (vii) carrying out instructions from the Management Company unless they conflict with the articles of incorporation of the Company or applicable Luxembourg law, rules and regulations.

### *Background of the Depositary and Paying Agent*

Citibank Europe plc, Luxembourg Branch, is the depositary of the Fund.

The Depositary is a public limited company domiciled in Ireland with registered number 132781 whose registered office is at 1 North Wall Quay, Dublin 1. The Depositary conducts its principal business in Luxembourg from its office at 31, Z.A.I. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg. Its Luxembourg branch was established on 28 August 2015 and is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B 0200204. Its Luxembourg branch is authorised to provide such services in accordance with the Luxembourg law of 5 April 1993 on the financial sector, as amended, and is specialised in fund custody and administration services.

The Depositary is authorised by the Central Bank of Ireland but in respect of its services as depositary in Luxembourg is regulated by the CSSF.

As paying agent, Citibank Europe plc, Luxembourg Branch is responsible for the payment of dividends (if any) to the Shareholders and, as domiciliary agent, Citibank Europe plc, Luxembourg Branch provides the registered office of Company as well as administrative, secretarial, and certain tax services to the Company. The Depositary shall in addition be responsible for the processing of the transfer of the redemption proceeds of the Shares.

#### *Delegation and Conflicts of Interest*

Under the terms of the Depositary Agreement and in accordance with the UCI Law, the Depositary has power to delegate certain of its depositary functions.

In order to discharge its responsibility in this regard, the Depositary must exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of a third party as a safekeeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned; maintain an appropriate level of supervision over the safekeeping agent; and make appropriate inquiries from time to time to confirm that the obligations of the agent continue to be competently discharged.

The liability of the Depositary will not be affected by the fact that it has delegated to a third party certain of its safekeeping in respect of the Company's assets.

Without prejudice to the section "Conflicts of Interest" below, from time to time actual or potential conflicts may arise between the Depositary and its delegates or sub-delegates, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company.

Included in the Depositary's conflict of interest policy are procedures to identify, manage and monitor on an on-going basis any actual or potential conflict of interest involving its delegates or sub-delegates.

The Depositary will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favorable to the Company/ a Fund than if the conflict or potential conflict had not existed.

In certain jurisdictions, where the local law requires that financial instruments are held by a local entity and no local entity satisfies the delegation requirements to which the Depositary is subject, the Depositary may delegate its functions to a local entity for as long as there are no local entities which satisfy the requirements. The Depositary will only do so where the Management Company

has instructed it to do so and Shareholders are notified of such delegation prior to their investment, the reasons for it and the risks involved in the delegation.

### *Conflicts of Interest*

Actual or potential conflicts of interest may also arise between Company/ a Fund, the Shareholders or the Management Company on the one hand and the Depositary on the other hand.

For example, such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Company/ a Fund or the Management Company. In particular, depositary and administration services are provided by the same legal entity, Citibank Europe plc, Luxembourg Branch. In practice, however, the depositary and administration lines of business are functionally and hierarchically separated and operate on an arm's length basis. In addition, the Depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Company/ a Funds, or may have other clients whose interests may conflict with those of the Company/ a Fund, the Shareholders or the Management Company.

The Depositary and any of its affiliates may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary's duty to the Company/ a Fund. This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the investments of the Company/ the Fund in question; provides broking services to the Company/ a Fund and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Company/ the Fund in question; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Company/ a Fund; or earns profits from or has a financial or business interest in any of these activities.

The group-wide conflict of interest policy provides that Citi manages conflicts through various policies, procedures and/or processes, which may, depending upon the conflict, include prevention or avoidance of conflicts, or appropriate disclosures, establishing information barriers, restructuring transactions, products or processes, and/or changing compensation incentives.

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

Up-to-date information on delegations and sub-delegations and related conflicts of interest may be requested from the Depositary by Shareholders. This information is also available at: <http://www.citigroup.com/citi/about/countrypresence/luxembourg.html>.

### *Termination of the Depositary Agreement*

The Depositary Agreement provides that it will continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the Company shall with due observance of the applicable requirements of the CSSF and in accordance with applicable law, rules and regulations, appoint a successor depositary. The Depositary may not be replaced without the approval of the CSSF.

### *Liability of the Depositary*

The Depositary is liable to the Company or to the Shareholders for the loss by the Depositary or a third party to whom the custody of financial instruments that can be held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Company or the Management Company acting on behalf of the Company without undue delay. The Depositary is not liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary is also liable to the Company or the Shareholders for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations. In case of direct liability of the Depositary vis-à-vis the Shareholders they shall, in line with the terms of the Depositary Agreement, not exercise any claims on the Depositary directly but shall request the Management Company to do so on their behalf. Only in a case where the Management Company does not accept such request (for whatever reason) shall the Shareholders be allowed to exercise any such claim directly vis-à-vis the Depositary. The Depositary Agreement contains indemnities in favour of the Depositary excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence, intentional failure or fraud.

### *Other provisions of the Depositary Agreement*

The Depositary Agreement is governed by the laws of Luxembourg and the courts of Luxembourg shall have exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

### *The Central Administration (including Domiciliary Agent) and Registrar and Transfer Agent*

With the prior approval of the Company, the Management Company has appointed Citibank Europe plc, Luxembourg Branch as the Company's central administration (including corporate administration, domiciliary, accounting and regulatory reporting agent) (in such capacity, the "**Central Administration**") and registrar and transfer agent (in such capacity, the "**Registrar and Transfer Agent**").

In its capacity as Central Administration, Citibank Europe plc, Luxembourg Branch is responsible for the central administration of the Company and in particular for the determination of the Net Asset Value of the Shares and for the maintenance of accounting records. In its capacity as domiciliary, Citibank Europe plc, Luxembourg Branch moreover provides the registered office of the Company.

In its capacity as Registrar and Transfer Agent, Citibank Europe plc, Luxembourg Branch is responsible for the issue, redemption, cancellation and transfer of the Shares of the Company and for the keeping of the register of shareholders.

Citibank Europe plc is a public limited company domiciled in Ireland and authorized by the Central Bank of Ireland, acting through its Luxembourg Branch having its offices at 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Trade and Companies (Registre de Commerce et des Sociétés) under number B 200204, which is licensed for all types of banking activities. Citibank Europe plc, Luxembourg Branch is a member of the Citigroup group of companies, having as their ultimate parent Citigroup Inc., a US publicly quoted company.

### **Dissolution and Liquidation of the Company**

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

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

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

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

The issue of Shares shall cease on the date of publication of the notice of the extraordinary general meeting of shareholders, to which the dissolution and liquidation of the Company shall be proposed.

One or more liquidator(s) shall be appointed by the extraordinary general meeting of shareholders to realise the assets of the Company, subject to the supervision of the CSSF and the best interests of shareholders. The liquidation proceeds, net of all liquidation expenses, shall be distributed by the liquidator(s) among the holders of Shares in accordance with their respective rights. The amounts not claimed by shareholders at the end of the liquidation process shall be deposited, in accordance with Luxembourg law, with the *Caisse de Consignations* in Luxembourg until the statutory limitation period has lapsed.

### **Termination of a Fund and/or of a Class of Shares**

If more than one Fund and/or a Class of Shares are offered, the Directors of the Company may decide at any moment to terminate any Fund and/or Class of Shares. In the case of termination of a Fund, Shares will be redeemed against cash at the Net Asset Value per Share determined on the Valuation Day as described the section headed "*Redemption of Shares*".



In the event that for any reason the value of the assets in any Fund or of any Class of Shares within a Fund has decreased to an amount determined by the Directors of the Company from time to time to be the minimum level for such Fund or Class of Shares to be operated in an economically efficient manner, or if a change in the economic or political situation relating to the Fund concerned would have material adverse consequences on the investments of that Fund, or as a matter of economic rationalization, the Directors of the Company may decide to compulsorily redeem all the Shares of the relevant Classes issued in such Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), determined on the Valuation Day on which such decision shall take effect. The Company shall serve a notice to the shareholders of the relevant Classes of Shares in writing at least thirty (30) days prior to the effective date for such compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations.

Any request for subscription shall be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Fund.

In addition, the extraordinary general meeting of shareholders of any one or all Classes of Shares issued in a Fund may, upon proposal from the Directors of the Company, redeem all the Shares issued in such Fund and refund to the shareholders the Net Asset Value per Share of their Shares (taking into account actual realisation prices of investments and realisation expenses) determined on the Valuation Day on which such decision shall take effect. There shall be no quorum requirements for such extraordinary general meeting of shareholders that shall decide by resolution taken by simple majority of those present and represented.

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

All redeemed Shares shall be cancelled by the Company.

The liquidation of a Fund shall not involve the liquidation of another Fund. Only the liquidation of the last remaining Fund of the Company involves the liquidation of the Company.

### **Amalgamation, Division or Transfer of Funds and/or of Classes of Shares**

Under the same circumstances as provided in the second paragraph of the section headed "*Termination of a Fund and/or of a Class of Shares*", the Directors of the Company may decide to allocate the assets of any Fund or Class of Shares to those of another existing Fund or Class of Shares within the Company or to another undertaking for collective investment organised under the provisions of Part I of the UCI law or to another sub-fund within such undertakings for collective investment (hereinafter referred to as the "**new sub-fund or class of shares**") and to re-designate the Classes of Shares concerned as shares of another class (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders). Such decision will be published in the same manner as described above under the section headed "*Termination of a Fund and/or of a Class of Shares*" (and, in addition, the publication will contain information in relation to the new sub-fund or class of shares), one (1) month before the date on which the amalgamation becomes effective in order to enable shareholders to request redemption of their Shares free of charge during such period.

Under the same circumstances as provided in the second paragraph of the section headed "*Termination of a Fund and/or of a Class of Shares*", the Directors of the Company may decide to reorganise a Fund or a Class of Shares by means of a division into two or more Funds or Classes of Shares. Such decision will be published in the same manner as described above under the section headed "*Termination of a Fund and/or of a Class of Shares*" (and, in addition, the publication will contain information about the two or more new Funds or Classes) one (1) month before the date on which the division becomes effective in order to enable the shareholders to request redemption of their Shares free of charge during such period.

Notwithstanding the powers conferred to the Directors of the Company by the preceding paragraphs, an amalgamation or division of Funds or Classes of Shares within the Company may be decided upon by an extraordinary general meeting of shareholders of the Classes of Shares in the Fund concerned for which there shall be no quorum requirements and which will decide, upon such amalgamation or division, by resolution taken by simple majority of those present or represented.

A contribution of the assets and of the liabilities of any Fund or Class of Shares of the Company to another undertaking for collective investment referred to above or to another sub-fund or class of shares within such undertaking for collective investment shall require a resolution of the shareholders of the Classes of Shares issued in the Fund concerned taken with fifty (50) *per cent.* quorum requirement of the Shares in issue and adopted at two thirds majority of the Shares present or represented at such meeting, except when such an amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type ("*fonds commun de placement*") or a foreign based undertaking for collective investment, in which case resolutions shall be binding only on such shareholders who have voted in favour of such amalgamation.

### **General Meetings**

The annual general meeting of shareholders will be held each year at the registered office of the Company on the second Tuesday in April at 10:00 a.m. (unless such date falls on a legal Luxembourg bank holiday, in which case it will be held on the next following Luxembourg Bank Business Day).

Shareholders of the relevant Fund or Class of Shares may hold, at any time, general meetings to decide on any matters which relate exclusively to the relevant Fund or Class.

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

### **Annual and Semi-Annual Reports**

The Company's financial year ends on 31 December of each year.

Audited Annual Reports will be made available for public inspection at the registered office of the Company within four (4) months after the end of the financial year and the latest Annual Report shall be available at least eight (8) days before the annual general meeting.

Unaudited Semi-annual Reports will be available at the registered office of the Company within two (2) months after 30 June.

### **Documents Available for Inspection**

Copies of the articles of incorporation of the Company may be delivered without cost to interested investors upon their request. Copies of the following documents may be inspected free of charge during usual business hours on any Luxembourg Bank Business Day at the registered office of the Company:

- a) copy of the Prospectus;
- b) copy of the KIID(s);
- c) the latest annual and semi-annual reports;
- d) the current version of the agreement concluded between the Depositary and the Company;
- e) the current version of the agreement concluded between the Central Administration, the Registrar and Transfer Agent, the Company and the Management Company;
- f) the current version of the agreement concluded between the Investment Manager, the Company and the Management Company;
- g) the current version of the agreement concluded between the Global Distributor, the Company and the Management Company; and
- h) the procedures issued by the Management Company with respect remuneration, conflicts of interest, complaints handling, best execution as well as the exercise of voting rights.

The KIID(s) shall be available to the investors on:

[http://sicav.williamblairfunds.com/investor\\_services/prospectus\\_forms\\_reports/KIID.fs](http://sicav.williamblairfunds.com/investor_services/prospectus_forms_reports/KIID.fs).

### **Communication with Investors**

All communications of investors with the Company should be addressed to the Company at its registered office.

Any investor wishing to make a complaint regarding any aspect of the Company or its operations may do so directly to Company at its registered office.

### **Competent Jurisdiction and Applicable Law**

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

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

## Appendix A – Investment Powers and Restrictions

Definitions:

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

"**Directive 78/660/EEC**" shall mean Directive 78/660/EEC of 25 July 1978 based on Article 54 paragraph 3 g) of the Treaty on the annual accounts of certain types of companies, as amended;

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

"**Member State**" has the meaning ascribed to this term in the UCI Law;

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

"**Regulated Market**" a market as defined in Article 4, point 14 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments ("**MIFID**");

"**Transferable Securities**" shall mean:

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

excluding the techniques and instruments referred to in Article 42 of the UCI Law.

In order to achieve the Company's investment objectives and policies, the Directors have determined that the following investment powers and restrictions shall apply to all investments by the Company:

- 1) The Company, for and on behalf of each Fund, will invest in:
  - a) Transferable Securities and Money Market Instruments admitted to or dealt in a Regulated Market;
  - b) Transferable Securities and Money Market Instruments dealt in on another Regulated Market, in a Member State which operates regularly and is recognised and open to the public;
  - c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another Regulated Market in a non-Member State of the European Union which operates regularly and is recognised and open to the public, located within any other country of Europe, Asia, Oceania, the American continents or Africa;

- d) Recently issued Transferable Securities and Money Market Instruments provided that
- (i) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market referred to under a) to c) above; and
  - (ii) such admission is secured within one year of the issue;
- e) Shares or units of UCITS authorized according to the UCITS Directive and/or other UCI within the meaning of the first and second indent of Article 1(2) of the UCITS Directive, should they be situated in a Member State of the European Union or not, provided that:
- (i) such other UCIs are authorized under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - (ii) the level of guaranteed protection for share- or unit-holders in such other UCIs is equivalent to that provided for share- or unit-holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
  - (iii) the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - (iv) no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in shares or units of other UCITS or other UCIs;
- f) Deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
- g) Financial derivatives, including equivalent cash settled instruments, dealt in on a Regulated Market referred to under in a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter ("**OTC derivatives**"), provided that:
- (i) the underlying consist of instruments covered by section 1) above, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest in accordance with the investment objectives of its Funds;
  - (ii) the counter-parties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF
  - (iii) the Funds may only enter into total return swap transactions through a regulated first class financial institution of any legal form with a minimum credit rating of

investment grade quality specialised in this type of transaction which has its registered office in one of the OECD; and

- (iv) 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 market value at the Company's initiative;
- h) Money Market Instruments other than those dealt in on a Regulated Market, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are:
- (i) issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in 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
  - (ii) issued by an undertaking any securities of which are dealt in on Regulated Markets referred to under (a), (b) or (c) above; or
  - (iii) issued or guaranteed by a credit institution subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and comply with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
  - (iv) issued by other entities belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent, and provided that the issuer (i) is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000) and (ii) which presents and publishes its annual accounts in accordance with fourth Directive 78/660/EEC, (iii) 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 (iv) is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 2) However, for each Fund, the Company:
- a) may invest up to 10% of the net assets of each Fund in Transferable Securities and Money Market Instruments other than those referred to under Section 1) above;
  - b) may hold ancillary liquid assets;
  - c) may borrow the equivalent of up to 10% of its net assets provided that the borrowing is on a temporary basis;
  - d) may acquire foreign currencies by means of a back-to-back loans; and
  - e) may not acquire either precious metals or certificates representing them.
- 3) Moreover, concerning the net assets of each Fund, the following investment restrictions shall be observed by the Company in respect of each Fund:

**(a) Rules for risk spreading**

• **Transferable Securities and Money Market Instruments**

- (1) Each Fund may not invest more than 10% of its net assets in Transferable Securities or Money Market Instruments issued by the same body.
- (2) The total value of the Transferable Securities and Money Market Instruments held by each Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This restriction does not apply to deposits and OTC transactions made with financial institutions subject to prudential supervision.
- (3) The 10% limit laid down in paragraph (1) is raised to a maximum of 35% if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members.
- (4) The 10% limit laid down in paragraph (1) is raised to 25% for certain debt securities if they are issued by a credit institution whose registered office is situated in a Member State and which is subject, by virtue of law, to particular public supervision designed to protect the holders of such debt securities. In particular, sums deriving from the issue of such debt securities must be invested pursuant to the law in assets which sufficiently cover, during the whole period of validity of the debt securities, are capable of covering claims attaching to the debt securities and which, in event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of accrued interest. To the extent that the relevant Fund invests more than 5% of its assets in such debt securities, issued by the same issuer, the total value of such investments may not exceed 80% of the value of the Fund's net assets.
- (5) The Transferable Securities values mentioned in (3) and (4) above are not taken into account for the purpose of applying the 40% limit referred to under paragraph (2) above.
- (6) **Notwithstanding the limits indicated above, and in accordance with the principle of risk-spreading, the Company is authorised to invest up to 100% of the assets of each Fund in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, its local authorities, an OECD member country, a G-20 country, or public international bodies of which one or more Member States are members, provided that in such event the Funds must hold (i) securities from at least six different issues and (ii) securities from any one issue may not account for more than 30% of the Fund's net assets.**
- (7) Without prejudice to the limits laid down in (b) below, the limits laid down in (1) above are raised to maximum 20% for investment in shares and/or debt securities issued by the same body and when the Company's investment policy is aimed at

duplicating the composition of a certain share or debt securities index, which is recognised by the CSSF and meets the following criteria:

- the index's composition is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- the index is published in an appropriate manner.

The 20% limit is increased to 35% where that proves to be justified by exceptional 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 one single issuer.

- **Bank deposits**

- (8) The Company may not invest more than 20% of the net assets of each Fund in deposits made with the same body.

- **Derivatives**

- (9) The risk exposure to a counter-party in an OTC derivative transaction and/or efficient portfolio management transaction may in aggregate not exceed 10% of the relevant Fund's net assets when the counter-party is a credit institution referred to in (f) in Section 1) above, or 5% of its net assets in the other cases.
- (10) The Company may invest, as a part of the investment policy of the relevant Fund and within the limits set out in (5) and (17), in financial derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in (1) to (5), (8), (16) and (17). When the Company invests in index based financial derivative instruments, these investments do not have to be combined to the limits laid down in (1) to (5), (8), (16) and (17).
- (11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when applying the provisions laid down in (12), (16) and (17), and when determining the risks arising on transactions in derivative instruments.
- (12) With regard to derivative instruments, the Company will ensure that the global exposure of each Fund, which uses the commitment approach, relating to derivative instruments does not exceed the total net value of its portfolio. The risks exposure is calculated taking into account the current value of the underlying assets, the counter-party risk, future market movements and the time available to liquidate the positions.

- **Shares or units in open-ended funds**

- (13) Unless otherwise provided for a specific Fund, the Company may not invest more than 10% of the net assets of each Fund in shares or units of a single UCITS or other UCI referred to in 1) e) above.



- (14) Furthermore, unless otherwise provided for a specific Fund, investments made in UCIs or UCITS, may not exceed, in aggregate, 10% of the net assets of the Company.
- (15) To the extent that a UCITS or UCI is composed of several sub-funds and provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties, each sub-fund shall be considered as a separate entity for the application of the limit laid down in (i)-above.

When a Fund invests in shares or units of other UCITS and/or other UCI 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 that other company may not charge subscription or redemption fees on account of the Fund's investment in the shares or units of such other UCITS and/or UCI.

If any Fund's investments in UCITS and other UCIs constitute a substantial proportion of that Fund's assets, the total management fee (excluding any performance fee, if any) charged both to such Fund itself and the UCITS and/or other UCIs concerned shall not exceed 3% of the relevant assets. The Company will indicate in its annual report the total management fees charged both to the relevant Fund and to the UCITS and other UCIs in which such Fund has invested during the relevant period.

- **Combined limits**

- (16) Notwithstanding the individual limits laid down in (1), (8) and (9), the Company may not combine for each Fund:
- (i) investments in Transferable Securities or Money Market Instruments issued by;
  - (ii) deposits made with; and/or
  - (iii) exposures arising from OTC derivatives transactions and/or efficient portfolio management transactions undertaken with
- a single body in excess of 20% of its net assets.
- (17) The limits set out in (1) to (5), (8) and (9) above, may not be combined and accordingly, investments by each Fund in Transferable Securities or Money Market Instruments issued by the same body or in deposits or derivative instruments made with this body in accordance with (1) to (5), (8) and (9) above, may not, in any event, exceed a total of 35% of the net assets of the relevant Fund. Companies of the same group of companies are regarded as a single body for the purpose of calculating this 35% limit.

Each Fund may invest in aggregate up to 20% of its assets in Transferable Securities and Money Market Instruments with the same group of companies.

**(b) Restrictions with regard to control**

- (18) The Company may not acquire for each Fund any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (19) The Company may acquire no more than:
  - (i) 10% of the non-voting shares of the same issuer;
  - (ii) 10% of the debt securities of the same issuer;
  - (iii) 25% of the shares or units of the same UCITS and/or other UCI;
  - (iv) 10% of the Money Market Instruments of the same issuer.

The limits set in points (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of debt securities or Money Market Instruments, or the net amount of the securities in issue, cannot be calculated.

- (20) The limits laid down in (18) and (19) are waived as regards:
  - (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State of the European Union;
  - (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States of the European Union are members;
  - (iv) Shares held in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in securities of issuing bodies having their registered office in that state. This derogation only applies if the Company has an investment policy complying with sections (3) to (6), (8) where under the legislation of that state, such holding represents the only way in which the Company can invest in the securities of issuing bodies of that state and provided that the investment policy of the company complies with regulations governing risk diversification and restrictions with regard to control laid down herein;
  - (v) Shares held by the Funds in the capital of one or more subsidiary companies carrying on only the business of management, advice or marketing in the country/state where the subsidiary is located, in regard to the repurchase of the shares at the shareholders request exclusively on its or their behalf.

4) Furthermore, the following restrictions will have to be complied with:

- (1) the Company may not acquire real estate, except when such acquisition is essential for the direct pursuit of its business;

- (2) without prejudice to the possibility of the Company to acquire debt securities and to hold bank deposits, the Company may not grant loans or act as guarantor on behalf of third parties. This restriction does not prohibit the Company from acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in 1) e), g) and h) that are not fully paid-up;
  - (3) the Company may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments referred to in 1) e), g) and h).
- 5) Notwithstanding the above provisions:
- (1) the Company needs not necessarily to comply with the limits referred to herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets of each Fund; and
  - (2) if the limits referred to above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
  - (3) Each Fund has 6 months from its date of authorization to achieve compliance with sections (1) to (6), (8) and (9) above.

## **Appendix B – Special Techniques and Instruments**

### **A. General provisions**

For the purpose of efficient portfolio management and/or to protect their assets and commitments, the Company or the Investment Manager, as the case may be, may arrange for the Funds to make use of techniques and instruments relating to Transferable Securities and Money Market Instruments.

When these transactions involve the use of derivatives, the conditions and restrictions set out above in the section headed "*Investment Restrictions*" must be complied with.

In no case whatsoever must the recourse to transactions involving derivatives or other financial techniques and instruments cause the Company or the Investment Manager, as the case may be, to depart from the investment objectives as set out in the Prospectus.

### **B. Securities lending transactions**

The Company or the Investment Manager, as the case may be and with respect to the assets of each Fund, may engage in securities lending provided that these transactions comply with the following rules and the ESMA "Guidelines on ETFs and other UCITS Issues" (the "**ESMA Guidelines**"):

- (1) The Company or the Investment Manager, as the case may be, are authorised to lend securities in its portfolio to a borrower, either directly or through a standardised lending system organised by a recognised securities clearing institution or a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by community law and specialised in this type of transactions.

In all cases, the counterparty to the securities lending agreement (i.e. the borrower) must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by community law. In case the aforementioned financial institution acts on its own account, it is to be considered as counterparty in the securities lending agreement.

As part of the selection criteria for counterparties, the Investment Manager may review the "legal status" of the counterparty as part of the best execution review of the counterparty's capital strength and financial stability.

If the Company or the Investment Manager, as the case may be, lends securities to entities that are linked to the Company or the Investment Manager by common management or control, specific attention has to be paid to the conflicts of interest which may result therefrom.

- (2) When engaging in securities lending the Company or the Investment Manager, as the case may be, must receive previously or simultaneously to the transfer of the securities lent, a guarantee which complies with the requirements expressed under section II (b) of CSSF circular 08/356. At maturity of the securities lending transaction, the guarantee will be remitted simultaneously or subsequently to the restitution of the securities lent.

In case of a standardised securities lending system organised by a recognised clearing institution or in case of a lending system organised by a financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by community law and specialised in this type of transactions, securities lent may be transferred

before the receipt of the guarantee if the intermediary in question assures the proper completion of the transaction. Such intermediary may, instead of the borrower, provide to the Company or the Investment Manager, as the case may be, a guarantee in compliance with the requirements expressed under section II (b) of CSSF circular 08/356.

The value of this guarantee must be, during the lifetime of the lending agreement, at least equivalent to 90% of the global valuation (interests, dividends and other eventual rights included) of the securities lent.

The risk exposure to a single counterparty of the Company arising from one or more securities lending transactions may not exceed ten per cent (10%) of its assets when the counterparty is a credit institution referred to in article 41, paragraph (1) (f) of the UCI Law of five per cent (5%) of its assets in other cases.

- (3) In the context of securities lending revenues, the income generated by the transactions is credited to the participating Funds except for the direct and indirect costs of the transactions, which are credited to the principal. No entity related to the Management Company receives direct or indirect costs or fees. Information on direct and indirect operational costs that may be incurred in respect of securities lending revenues transactions, as well as the entities to which such costs and fees are paid, and any relationship they may have to the Management Company, Investment Manager or Depositary, will be available in the Annual Report of the Company. Information on direct and indirect operational costs that may be incurred in respect of securities lending revenues transactions, as well as the entities to which such costs and fees are paid, and any relationship they may have to the Management Company, Investment Manager or Depositary, will be available in the Annual Report of the Company.

Neither the Management Company nor any other entity receives any of the securities lending revenue.

The Company will ensure that it is entitled to request the return of the securities lent or to terminate the relevant securities lending agreement at any time.

As of the date of this Prospectus, neither the Company nor the Investment Manager have engaged in any securities lending transactions with respect to any of the Funds. If the Company or the Investment Manager will enter into securities lending transactions with respect to any of the Funds, this Prospectus will be amended accordingly.

### **C. Repurchase agreements**

On an ancillary basis and for the purpose of improving the performances of the Funds, the Company may, with respect to the assets of each Fund, enter into repurchase agreements consisting of the purchase and sale of securities in which the terms of the agreement give the seller the right or the

obligation to repurchase the securities from the purchaser at a price and a time agreed by the two parties at the time of entering into the agreement.

The proportion of the assets held by a Fund that may be subject to repurchase transactions will not exceed 10% of that Fund's Net Asset Value.

The expected proportion of a Funds' assets that will be subject to repurchase transactions is 1-3% of that Fund's Net Asset Value, except for the Dynamic Diversified Allocation Fund, for which the expected proportion is 8% of that Fund's Net Asset Value.

The Funds only enter into repurchase transactions in respect of US Government securities.

The Company may enter into repurchase agreements either as purchaser or as seller. However, when entering into agreements of this type, the Company shall comply with the following rules:

- (1) the Company may purchase or sell securities in connection with a repurchase agreement only if the counterparty is subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by community law, is a highly rated financial institution specialised in this type of transaction, and has been approved by the Investment Manager as a derivative counterparty. As part of the selection criteria for counterparties, the Investment Manager may review the "legal status" of the counterparty as part of the best execution review of the counterparty's capital strength and financial stability;
- (2) for the duration of a repurchase agreement, the Company may not sell the securities that are the subject of the agreement either before the counterparty has exercised its right to repurchase the securities or before the repurchase period has expired, unless the Company has other means of coverage;
- (3) when the Company has obligations to make repurchases, it must ensure that the level of repurchase agreements is such that it can meet these obligations at any given time; and
- (4) the Company will ensure that it is entitled to request the return of the securities subject to the repurchase agreement or to terminate the relevant repurchase agreement at any time.

Repurchase agreements are instruments under which the Company acquires, for and on behalf of the relevant Fund, ownership of a security, and the seller, a broker-dealer or a bank agrees to repurchase the security at a mutually agreed upon time and price. The repurchase agreement serves to fix the yield of the security during the Fund's holding period. The Company currently intends to enter into repurchase agreements only with member banks of the United States Federal Reserve System or with primary dealers in US Government securities. The income generated by the repurchase agreements is credited to the participating Funds except for the direct and indirect costs of the transactions which are credited to the counterparty. The Management Company does not receive any of the revenue generated by repurchase agreements. Neither any entity related to the Management Company nor any other entity receives direct or indirect costs or fees. Information on direct and indirect operational costs that may be incurred in respect of repurchase transactions, as well as the entities to which such costs and fees are paid, and any relationship they may have to the Management Company, Investment Manager or Depositary, will be available in the Annual Report of the Company.

In all cases, the Company must be satisfied with the creditworthiness of the counterparty before entering into a repurchase agreement. In the event of the bankruptcy or other default of the

counterparty of a repurchase agreement, the relevant Fund could incur expenses and delays enforcing its rights under the agreement, and experience a decline in the value of the underlying securities and loss of income. The maturity of a security subject to repurchase may exceed one (1) year. Repurchase agreements maturing in more than seven (7) days, together with any securities that are restricted as to disposition under the federal securities laws or are otherwise considered to be illiquid, will not exceed twenty (20) *per cent* of the net assets of the relevant Fund.

#### **D. Collateral Policy**

Where the Funds enter into OTC financial derivative and/or efficient portfolio management transactions, the following eligible collateral may be used to reduce counterparty risk:

- liquid assets, i.e. short term bank certificates and money market instruments as defined in Directive 2007/16/EC; a letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets;
- bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- shares or units issued by money market funds calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- shares or units issued by UCITS investing mainly in bonds/shares mentioned in the following two bullet points;
- bonds issued or guaranteed by first class issuers offering an adequate liquidity;
- shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

Any collateral received must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received must also comply with the provisions of Article 48 of the Law of 17 December 2010.

Collateral received will be valued on at least a daily basis and may be subject to daily variation margin requirements. Assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts in accordance with the policy described in Q below are in place.

Collateral received will be of high issuer credit quality.

The collateral received by the Fund must be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

Collateral must be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if a Fund receives from a counterparty of OTC derivative and/or efficient portfolio management transactions

a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral must be aggregated to calculate the 20% limit of exposure to a single issuer.

Risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated in accordance with the Management Company's risk management process concerning the Fund.

Where there is a title transfer, the collateral received must be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Collateral received must be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

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

Reinvestment of cash collateral involves risks associated with the type of investments made. Reinvestment of collateral may create a leverage effect which will be taken into account for the calculation of the Company's global exposure. Cash collateral received shall only be:

- placed on deposit with entities prescribed in Article 41 (1) (f) of the UCI Law;
- invested in high-quality government bonds;
- used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis;
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.
- re-invested in accordance with the diversification requirements applicable to non-cash collateral.

The Fund's exposure to a counterparty resulting from efficient portfolio management and/or OTC derivative transactions shall be collateralised to at least 100%.

#### **E. Cash, short-term securities and money market instruments**

For liquidity purposes, up to twenty (20) *per cent* of the Funds' assets may be held in cash (US\$ and foreign currencies) or in short-term securities, such as repurchase agreements, and domestic and foreign money market instruments, such as government obligations, certificates of deposit, bankers' acceptances, time deposits, commercial paper and short-term corporate debt securities. The Funds do not have specific rating requirements for its short-term securities; however, neither the Company nor the Investment Manager presently intend to invest more than five (5) *per cent* of their respective net assets in securities rated below investment grade.



## **F. Temporary Defensive Position**

The Company or the Investment Manager, as the case may be, may significantly alter the make-up of the Funds and employ a temporary defensive strategy if, in the judgment of the Company or the Investment Manager, investments in the Funds' usual markets or types of securities become unattractive because of current or anticipated economic, financial, political or social factors.

## **G. Concentration**

Not more than fifty (50) *per cent* of the net assets of the Emerging Markets Growth Fund, the Emerging Markets Leaders Fund, the Emerging Markets Small Cap Growth Fund and the Global Leaders Fund will be invested in any one industry. This limitation does not apply to obligations issued or guaranteed by the US Government, its agencies or instrumentalities, or to instruments, such as repurchase agreements, secured by these instruments or to tax-exempt securities.

## **H. Convertible Securities**

The Company or the Investment Manager, as the case may be, may, on behalf of the Funds, invest in convertible securities, which are bonds, notes, debentures, preferred stock and other securities that are convertible into common stock. Convertible securities have general characteristics of both debt and equity securities. As debt securities, convertible securities are investments which provide a stream of income with generally higher yields than common stocks. Although to a lesser extent than with debt securities generally, the market value of convertible securities tends to decline as interest rates increase and conversely, tends to increase as interest rates decline. The Funds may convert or exchange convertible securities it owns into the underlying shares of common stock.

## **I. Depository Receipts**

The Company or the Investment Manager, as the case may be and for and on behalf of the Funds, may invest in foreign issuers through sponsored American Depository Receipts ("**ADRs**"), European Depository Receipts ("**EDRs**") and Global Depository Receipts ("**GDRs**"). Generally, an ADR is a dollar denominated security issued by a U.S. bank or trust company that represents, and may be converted into, the underlying foreign security. An EDR represents a similar securities arrangement but is issued by a European bank, and a GDR is issued by a depository. ADRs, EDRs and GDRs may be denominated in a currency different from the underlying securities into which they may be converted. Typically, ADRs, in registered form, are designed for issuance in U.S. securities markets, and EDRs and GDRs, in bearer form, are designed for issuance in European securities markets. Investments in depository receipts entail risks similar to direct investments in foreign securities.

## **J. Forward Foreign Currency Transactions**

The Company or the Investment Manager, as the case may be and on behalf of the Funds, may enter into forward foreign currency contracts as a means of managing the risks associated with changes in exchange rates. A forward foreign currency contract is an agreement to exchange US\$ for foreign currencies at a specified future date and specified amount which is set by the parties at the time of entering into the contract. The Company or the Investment Manager will generally use such currency contracts to fix a definite price for securities they have agreed to buy or sell and may also use such contracts to hedge the Fund's investments against adverse exchange rate changes. Alternatively, the Company or the Investment Manager, as the case may be and on behalf of the Funds, may enter into

a forward contract to sell a different foreign currency for a fixed US\$ amount where the Company or the Investment Manager believes that the US\$ value of the currency to be sold pursuant to the forward contract will fall whenever there is a decline in the US\$ value of the currency in which securities of the Emerging Markets Growth Fund, the Emerging Markets Leaders Fund, the Emerging Markets Small Cap Growth Fund or the Global Leaders Fund are denominated ("cross-hedge"). The profitability of forward foreign currency transactions depends upon correctly predicting future changes in exchange rates between the US\$ and foreign currencies. As a result, the Funds may incur either a gain or loss on such transactions. While forward foreign currency transactions may help reduce losses on securities denominated in a foreign currency, they may also reduce gains on such securities depending on the actual changes in the currency's exchange value relative to that of the offsetting currency involved in the transaction. The Funds (other than the Dynamic Diversified Allocation Fund) will not enter into forward foreign currency transactions for other purposes than hedging.

#### **K. Illiquid Securities**

The Company or the Investment Manager, as the case may be, may invest up to ten (10) *per cent* of the net assets of the Funds in illiquid securities. Illiquid securities are those securities that are not frequently traded, including restricted securities and repurchase obligations maturing in more than seven days.

#### **L. Investment in UCITS and/or other UCIs**

The Company or the Investment Manager, as the case may be and on behalf of the Funds, may invest in units and/or shares of UCITS and/or other UCIs, which may include exchange-traded funds, as described in Appendix A headed "*Investment Powers and Restrictions*". Investment in UCITS and/or other UCIs may provide advantages of diversification, increased liquidity and lower transaction costs than are normally associated with direct investments in such markets; however, there may be duplicative expenses, such as management fees or custodial fees. In addition, investments in region UCITS and/or other UCIs permit investments in foreign markets that are smaller than those in which the Funds would ordinarily invest directly. Investments in such UCITS and/or other UCIs should enhance the geographical diversification of the Funds' assets, while reducing the risks associated with investing in certain smaller foreign markets.

#### **M. Warrants**

Warrants are securities giving the holder the right, but not the obligation, to buy the stock of an issuer at a given price (generally higher than the value of the stock at the time of issuance) during a specified period or perpetually. Warrants may be acquired separately or in connection with the acquisition of securities. Warrants do not carry with them the right to dividends or voting rights with respect to the securities that they entitle their holder to purchase and they do not represent any rights in the assets of the issuer. As a result, warrants may be considered to have more speculative characteristics than certain other types of investments. In addition, the value of a warrant does not necessarily change with the value of the underlying securities and a warrant ceases to have value if it is not exercised prior to its expiration date.

## **N. When-Issued and Delayed Delivery Securities**

From time to time, in the ordinary course of business and under the limits laid down in Appendix A headed "*Investment Powers and Restrictions*", the Company or the Investment Manager, as the case may be and on behalf of the Funds, may purchase recently issued securities appropriate for the Funds on a "*when-issued*" basis, and may purchase or sell securities appropriate for the Funds on a "*delayed delivery*" basis. When-issued or delayed delivery transactions involve a commitment by the Funds to purchase or sell particular securities, with payment and delivery to take place at a future date. These transactions allow the Funds to lock in an attractive purchase price or yield on a security the Funds intends to purchase. Normally, settlement occurs within one (1) month of the purchase or sale. During the period between purchase and settlement, no payment is made or received by the Funds and, for delayed delivery purchases, no interest accrues to the Funds. Because the Funds are required to set aside cash or liquid securities at least equal in value to its commitments to purchase when-issued or delayed delivery securities, the Company's or the Investment Manager's ability to manage Fund assets may be affected by such commitments. The Company or the Investment Manager, as the case may be and on behalf of Funds, will only make commitments to purchase securities on a when-issued or delayed delivery basis with the intention of actually acquiring the securities, but it reserves the right to sell them before the settlement date if it is deemed advisable.

## **O. Foreign Currency Futures**

The Company or the Investment Manager, as the case may be and on behalf of the Emerging Markets Growth Fund, the Emerging Markets Leaders Fund, the Emerging Markets Small Cap Growth Fund, the Global Leaders Fund or the Dynamic Diversified Allocation Fund, may purchase and sell futures on foreign currencies as a hedge against possible variation in foreign exchange rates. Foreign currency futures contracts are traded on boards of trade and futures exchanges. A futures contract on a foreign currency is an agreement between two (2) parties to buy and sell a specified amount of a particular currency for a particular price on a future date. To the extent that the Company or the Investment Manager, as the case may be and on behalf of the Emerging Markets Growth Fund, the Emerging Markets Leaders Fund, the Emerging Markets Small Cap Growth Fund, the Global Leaders Fund or the Dynamic Diversified Allocation Fund, engages in foreign currency futures transactions, but fails to consummate its obligations under the contract, the net effect to the Emerging Markets Growth Fund, the Emerging Markets Leaders Fund, the Emerging Markets Small Cap Growth Fund, the Global Leaders Fund or the Dynamic Diversified Allocation Fund would be the same as speculating in the underlying futures contract. Futures contracts entail certain risks. If the Company's or the Investment Manager's judgment about the general direction of rates or markets is wrong, the Emerging Markets Growth Fund's, the Emerging Markets Leaders Fund's, the Emerging Markets Small Cap Growth Fund's, the Global Leaders Fund's or the Dynamic Diversified Allocation Fund's overall performance may be less than if no such contracts had been entered into. There may also be an imperfect correlation between movements in prices of futures contracts and the portfolio securities being hedged. In addition, the market prices of futures contracts may be affected by certain factors. If participants in the futures market elect to close out their contracts through offsetting transactions rather than to meet margin requirements, distortions in the normal relationship between the securities and futures markets could result. In addition, because margin requirements in the futures markets are less onerous than margin requirements in the cash market, increased participation by speculators in the futures market could cause temporary price distortions. Due to price distortions in the futures market and an imperfect correlation between movements in

the prices of securities and movements in the prices of futures contracts, a correct forecast of market trends by the Company and the Investment Manager may still not result in a successful hedging transaction. The Emerging Markets Growth Fund, the Emerging Markets Leaders Fund, the Emerging Markets Small Cap Growth Fund, the Global Leaders Fund or the Dynamic Diversified Allocation Fund could also experience losses if it could not close out its futures position because of an illiquid secondary market, and losses on futures contracts are not limited to the amount invested in the contract. The above circumstances could cause the Emerging Markets Growth Fund, the Emerging Markets Leaders Fund, the Emerging Markets Small Cap Growth Fund, the Global Leaders Fund or the Dynamic Diversified Allocation Fund to lose money on the financial futures contracts and also on the value of its portfolio securities.

**P. Use of Derivatives in Funds**

The Dynamic Diversified Allocation Fund may use derivatives for efficient portfolio management and, where appropriate, in order to achieve its investment objective. Only the Dynamic Diversified Allocation Fund uses total return swaps. If the Management Company decides to use total return swaps on behalf of other Funds, this Prospectus will be amended accordingly.

Name of Fund	Total Return Swaps	
	Maximum proportion of AUM	Expected proportion of AUM
Dynamic Diversified Allocation Fund	800%	400%

The Dynamic Diversified Allocation Fund may enter into total return swaps in respect of eligible assets under the UCI Law which fall within the Dynamic Diversified Allocation Fund’s investment policies (e.g. world-wide equity securities, debt securities, currencies and other UCITS or UCI eligible assets).

*Underlying Strategy and Composition of the Dynamic Diversified Allocation Fund*

The Fund seeks to provide long term capital growth and income, through investment in equity and debt securities traded world-wide. Investment will occur directly in those types of assets, through UCITs or UCI traded world-wide and/or through financial derivative instruments, to either hedge or increase, the Fund’s market exposure, in taking either net long or net short financial derivative positions.

The derivative instruments used by the Fund may include, but are not limited to: equity futures; equity options; fixed income futures; currency swaps and options; currency forwards; forward exchange contracts and swaps; variance swaps; interests rate options; swaptions; index futures; interest rate swaps; credit default swaps; inflation linked swaps; interest rate futures; options on futures; dividend futures; total return swaps; asset swaps and/or other eligible instruments per the UCI Law.

In the context of total return swaps, the income generated by the transactions is credited to the participating Fund except for the direct and indirect costs of the transactions, which are credited to the counterparty. No entity related to the Management Company receives direct or indirect costs or fees. Neither the Management Company nor any other entity receives any of the total return swap revenue. Information on direct and indirect operational costs that may be incurred in respect of total return swaps, as well as the entities to which such costs and fees are paid, and any relationship they may have to the Management Company, Investment Manager or Depositary, will be available in the Annual Report of the Company.

#### *Counterparty Selection*

When the Investment Manager selects counterparties, it seeks best execution. In seeking best execution, the Investment Manager looks at the individual transaction but also assesses quality over multiple transactions. The Investment Manager takes a variety of factors into consideration, such as the following:

1. Commission rates charged by the counterparty in comparison to the charges of other counterparties for similar transactions;
2. Access to the counterparty's trading desk and the familiarity of the counterparty with the Investment Manager's business;
3. Extensiveness of the counterparty's trading network and its ability to fulfill more difficult orders;
4. Ability of the counterparty to maintain confidentiality while executing trades to prevent the disclosure of the Investment Manager's investment strategy or the details of an order in a way that will adversely affect market price;
5. Extent to which the counterparty is willing to commit its own capital to fulfill difficult orders;
6. The counterparty's execution abilities, including the level of accuracy and speed of execution;
7. The counterparty's communications and administrative abilities, including efficiency of reporting, settlement, and correction of trade errors;
8. Research capabilities (including research created or developed by the counterparty and that obtained from third parties) and the counterparty's ability to provide market information;
9. The counterparty's trading expertise; and
10. The counterparty's capital strength and financial stability.
11. As part of the selection criteria for counterparties, the Investment Manager may review the "legal status" of the counterparty as part of the best execution review of the counterparty's capital strength and financial stability.

Conflicts can arise when selecting counterparties because the Investment Manager does not simply seek the lowest possible commission (cost). The Investment Manager may be motivated to use commissions (instead of cash) to pay for services or to select a counterparty based on the services they provide rather than the quality of their execution. This also may cause the Company to pay commissions that are higher than commissions charged by counterparties who do not provide the

above benefits. However, the Investment Manager believes that in return for paying fair and reasonable commissions, the Company will benefit. The Investment Manager makes every effort to allocate the benefits to all of its clients (including the Company) generating these commissions, but some clients that did not directly pay for the benefits also will gain.

To manage these conflicts, the Investment Manager has developed detailed policies and procedures and implemented several controls including the following:

1. The Investment Manager maintains a list of approved counterparties and reviews the list at least annually;
2. The Investment Manager has established compliance policies and procedures that include the creation of a Brokerage Research/Commission Committee to review best execution; and
3. The Investment Manager routinely reviews commission rates, trade execution, and settlement services.

The Dynamic Diversified Allocation Fund is not permitted to have more than a 5% exposure of the Fund's net assets to any one counterparty. In most instances, no initial margin is posted and exposures are marked to market on a daily basis.

#### *Risk of Counterparty Default and the Effect on Investor Returns*

The Fund's investments in derivatives and other financial instruments that involve counterparties subject the Fund to the risk that the counterparty could default on its obligations, either through the counterparty's bankruptcy or failure to perform its obligations. In the event of default, the Fund could experience lengthy delays in recovering some or all of its assets as a result of bankruptcy or other reorganization proceedings. The Fund could also experience limited recoveries or no recovery at all, and the value of an investment in the Fund could decline as a result.

#### *Counterparty Discretion over the Composition or Management of the Fund's Investment Portfolio*

Counterparties do not assume any discretion over the composition or management of the Fund's investment portfolio or over the underlying of the financial derivative instruments, and the approval of counterparties is not required in relation to any investment portfolio transaction of the Fund.

#### **Q. Haircut Policy**

The Company has implemented a haircut policy in respect of each class of assets received as collateral. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Company that any collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

The Company will apply haircuts to the collateral received according to the below table:

<b>Eligible Collateral</b>	<b>Remaining Maturity</b>	<b>Valuation Percentage</b>
Cash	N/A	100%
Government Bonds	One year or under	100%
	More than one year up to and including five years	98%
	More than five years up to and including ten years	97%
	More than ten years up to and including thirty years	95%

In case of unusual market volatility, the Company reserves the right to temporarily increase the haircut it applies to collateral for such period of time and in such measure as justified by the circumstances. As a consequence, the Company will receive more collateral to secure its counterparty exposure. Should that situation persist, this haircut policy will be updated accordingly.

#### **R. Securities Financing Transactions**

In accordance with 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 (the "**SFTR Regulation**"), this Prospectus contains a general description of the use of total return swaps and repurchase transactions by the Company.

A total return swap is an agreement in which one party makes payments based on the total return of an underlying asset, which includes both the income it generates and any capital gains or losses, in exchange for payments based on an interest rate, either fixed or variable, from the other party.

The Funds may only enter into repurchase transactions and/or total return swaps in respect of eligible assets under the UCI Law which fall within their investment policies.

As part of these repurchase transactions and/or total return swaps transactions, the Funds will receive cash and bonds collateral of minimum credit quality as assessed by the Company and as detailed in the sub-sections headed "Collateral Policy" and "Haircut Policy" above.

Apart from the total return swaps and repurchase agreements described above, the Company does not make use of any securities financing transactions ("**SFTs**") covered by Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

## Appendix C – Net Asset Value

Definitions:

**"Luxembourg Bank Business Day"** Any full working day in Luxembourg when the banks are open for business; and

**"Valuation Day"** A Luxembourg Bank Business Day and a day on which the NYSE (New York Stock Exchange) is also open for trading. If it is a Luxembourg Bank Business Day and the New York Stock Exchange is closed, the Valuation Day is the next day the New York Stock Exchange is open for trading.

The Net Asset Value per Fund will be expressed in the Reference Currency of the respective Fund. The Net Asset Value per Share will be expressed in the Dealing Currency of the respective Class while applying the prevailing foreign exchange market rate in Luxembourg to the calculated Net Asset Value per Share in the Reference Currency.

The Funds and Classes are valued daily and the Net Asset Value per Share is determined on each Valuation Day in Luxembourg. If after the calculation of the Net Asset Value, there has been a material change in the quotations on the markets on which a substantial portion of the investments attributable to a Fund are dealt or quoted, the Company may, in order to safeguard the interests of shareholders and the Company, cancel the first valuation and carry out a second valuation, for all the Classes concerned, prudently and in good faith.

The Net Asset Value per Share of each Class in each Fund on any Valuation Day is determined by dividing the value of the total assets of the relevant Fund properly allocable to the Class of Shares less the liabilities of the Fund properly allocable to such Class by the total number of Shares of such Class outstanding on such Valuation Day.

The Subscription Price and the Redemption Price of the different Classes or Category, as the case may be, will differ within each Fund as a result of the differing fee structure, Dealing Currency and/or distribution policy for each Class or Category, as the case may be.

In determining the Net Asset Value per Share, income and expenditure are treated as accruing daily.

The valuation of the Net Asset Value per Share shall be made in the following manner:

The assets of the Company shall be deemed to include:

- (i) All cash on hand or on deposit, including any interest accrued thereon;
- (ii) All bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) All bonds, time notes, certificates of deposit, Shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Company (provided that the Company may make adjustments in a manner not inconsistent with paragraph (a) below with regards to



fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);

- (iv) All stock dividends, cash dividends and cash distributions receivable by the Company to the extent information thereon is reasonably available to the Company;
- (v) All interest accrued on any interest bearing assets owned by the Company except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) The preliminary expenses of the Company, including the cost of issuing and distributing Shares of the Company, insofar as the same have not been written off;
- (vii) The liquidating value of all forward contracts and all call or put options the Company has an open position in;
- (viii) All other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- b) Securities listed on a recognised stock exchange or dealt on any other regulated market will be valued at their latest available prices, or, in the event that there should be several such markets, on the basis of their latest available prices on the main market for the relevant security;
- c) The value of non-U.S. equity securities (foreign equity securities) is generally determined based upon the last sale price on the foreign exchange or market on which it is primarily traded and in the currency of that market as of the close of the appropriate exchange or, if there have been no sales during that day, at the latest bid price. The Board of Directors has determined that the passage of time between when the foreign exchanges or markets close and when the sub-funds compute their net asset values could cause the value of foreign equity securities to no longer be representative or accurate, and as a result, may necessitate that such securities be fair valued. Accordingly, for foreign equity securities, the sub-funds may use an independent pricing service to fair value price the security as of the close of regular trading on the New York Stock Exchange. As a result, a sub-fund's value for a security may be different from the last sale price (or the latest bid price);
- d) In the event that the latest available price does not, in the opinion of the Directors, truly reflect the fair market value of the relevant securities, the value of such securities will be defined by the Directors based on the reasonably foreseeable sales proceeds determined prudently and in good faith;
- e) Securities not listed or traded on a stock exchange or not dealt on another Regulated Market will be valued on the basis of the probable sales proceeds determined prudently

and in good faith by the Directors; and the liquidating value of futures, 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 Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts traded on exchanges or on other regulated markets shall be based upon the last available settlement prices of these contracts on exchanges and regulated markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable. All other securities and other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Directors;

- f) The Net Asset Value per Share may be determined by using an amortised cost method for all investments with a known short-term maturity date (i.e. maturity of less than three (3) months). This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price the relevant Fund would receive if it sold the investment. The Directors will continually assess this method of valuation and recommend changes, where necessary, to ensure that the Fund's investments will be valued at their fair value as determined in good faith by the Directors. If the Directors believe that a deviation from the amortised cost per share may result in material dilution or other unfair results to shareholders, the Directors shall take such corrective action, if any, as it deems appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;

The Funds shall, in principle, keep in their portfolio the investments determined by the amortisation cost method until their respective maturity date;

- g) Interest rate swaps will be valued at their market value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Directors.

Any asset held in a particular Fund not expressed in the Fund's Reference Currency will be translated into such Reference Currency at the rate of exchange prevailing in a recognised market at 4:00 p.m. in New York (10:00 p.m. in Luxembourg, except in the particular case of different daylight savings times) on the relevant Valuation Day.

The liabilities of the Company shall be deemed to include:

- i) All loans, bills and accounts payable;

- ii) All accrued interest on loans of the Company (including accrued fees for commitment for such loans);
- iii) All accrued or payable expenses (including the Management Fees, fees regarding the Depositary, Management Company, Listing Agent, Central Administration (including domiciliary, corporate and paying agent functions) and Registrar and Transfer Agent, and any other third party fees);
- iv) All known liabilities, present and future, including all matured contractual obligations for payment of money or property;
- v) An appropriate provision for future taxes based on capital and income to the relevant Valuation Day, as determined from time to time by the Directors, and other reserves, if any, authorised and approved by the Directors; and
- vi) All other liabilities of the Company of whatsoever kind and nature except liabilities represented by Shares of the Company. In determining the amount of such liabilities, the Company shall take into account all expenses payable and all costs incurred by the Company, which shall comprise the fees payable to the Directors (including all reasonable out-of-pocket expenses), investment advisors (if any), investment managers, accountants, Depositary, Management Company, Listing Agent, Central Administration, Registrar and Transfer agent, permanent representatives in places of registration, distributors, if any, trustees, fiduciaries, correspondent banks and any other agent employed by the Company, fees for legal and auditing services, costs of any proposed listings and of maintaining such listings, promotion, printing, reporting and publishing expenses (including reasonable marketing and advertising expenses and costs of preparing, translating and printing in different languages) of prospectuses, addenda, explanatory memoranda, registration statements, annual reports and semi-annual reports, all taxes levied on the assets and the income of the Company (in particular, the "*taxe d'abonnement*" and any stamp duties payable), registration fees and other expenses payable to governmental and supervisory authorities in any relevant jurisdictions, insurance costs, costs of extraordinary measures carried out in the interests of shareholders (in particular, but not limited to, arranging expert opinions and dealing with legal proceedings) and all other operating expenses, including the cost of buying and selling assets, customary transaction fees and charges charged by custodian banks or their agents (including free payments and receipts and any reasonable out-of-pocket expenses, i.e. stamp taxes, registration costs, scrip fees, special transportation costs, etc.), customary brokerage fees and commissions charged by banks and brokers for securities transactions and similar transactions, interest and postage, telephone, facsimile and telex charges. The Company may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

The net assets of the Company are at any time equal to the total of the net assets of the Funds.

**Temporary Suspension of Determination of Net Asset Value per Share and issue or redemption of Shares**

The Directors may suspend the determination of the Net Asset Value per Share of one or more Fund(s) and the issue, conversion or redemption of Shares in any Class in the following circumstances:

- a) During any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Company attributable to the relevant Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Company attributable to the Fund quoted thereon;
- b) During the existence of any state of affairs which constitutes an emergency in the opinion of the Company as a result of which disposal or valuation of assets owned by the Company attributable to the relevant Fund would be impracticable;
- c) During any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the relevant Fund or the current price or value on any stock exchange or other market in respect of the assets attributable to the Fund;
- d) During any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of Shares of the relevant Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- e) When for any other reason the prices of any investments owned by the Company attributable to the relevant Fund cannot promptly or accurately be ascertained; or
- f) Upon the publication of a notice convening a general meeting of shareholders for the purpose of winding-up the Company.

The suspension of the determination of the Net Asset Value per Share in a Fund shall have no effect on the determination of the Net Asset Value per Share or on the issue, redemption and conversion of Shares of any other Fund that is not suspended.

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

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper and in any other newspaper(s) selected by the Directors, as well as in the official publications specified for the respective countries in which the Shares are sold. The CSSF and the relevant authorities of any Member States of the European Union in which the Shares are marketed, will be informed of any such suspension. Notice will likewise be given to any subscriber or shareholder, as the case may be, applying for subscription, conversion or redemption of Shares in the relevant Fund.

#### **Publication of Net Asset Value per Share**

The Net Asset Value per Share and the Net Asset Value per Fund are made public at the registered office of the Company. The Company may arrange for the publication of this information in

leading financial newspapers in the Reference Currency of the Fund and/or in the Dealing Currency of the Class concerned, as the case may be, and in any other currency at the discretion of the Directors. The issue and redemption prices are published on the Company's homepage:

<https://sicav.williamblair.com> in English

<https://sicav.williamblair.com/SICAV/Uebersicht.fs> in German.

Except if provided otherwise by laws, regulations and /or administrative praxis in the relevant jurisdiction, these publications will only be made on the Company's homepage.

The Company cannot accept any responsibility for any error or delay in publication or for non-publication of prices.

## **Appendix D – Additional Information for Investors in the U.K.**

### **A. General**

This Supplement should be read in conjunction with the Prospectus of William Blair SICAV (the "**Company**"), of which it forms part. References to the "Prospectus" are to be taken as references to that document as supplemented or amended hereby.

The Company is a recognised collective investment scheme for the purposes of section 264 of the Financial Services and Markets Act 2000 ("**FSMA**") of the United Kingdom. The Prospectus is distributed in the United Kingdom by or on behalf of the Company.

### **B. Important Information**

A UK investor who subscribes for Shares in each of the sub-funds of the Company (each a "**Fund**", together the "**Funds**") in response to the Prospectus will not have the right to cancel the subscription under the cancellation rules made by the Financial Services Authority in the UK.

The Company does not carry on regulated activities from a permanent place of business in the UK. UK investors are advised that most of the protections afforded by the UK regulatory system will not apply to an investment in the Funds. Investors in shares of the Funds may not be protected by the Financial Services Compensation Scheme established in the UK.

Potential investors should note that the investments of the Funds are subject to normal market fluctuations and other risks inherent in investing in shares and other securities, in addition to the additional risks associated with investment in certain of the Funds, as described under "Risk Factors".

### **C. Documents available for inspection**

Copies of the articles of incorporation of the Company may be delivered without cost to interested investors at their request. Copies of the following documents may be inspected free of charge during usual business hours on any week day at the registered office of the Company and at the registered office of William Blair International, Ltd, The Broadgate Tower, 20 Primrose Street, 17th Floor, London EC2A 2EW, United Kingdom:

- Copy of the articles of incorporation;
- Copy of the prospectus;
- Copy of the key investor information document;
- The latest annual and semi-annual reports;
- The contract concluded between the Depositary and the Company;
- The contract concluded between the Central Administration, the Registrar and Transfer Agent, the Company and the Management Company; and
- The contract concluded between the Investment Manager, the Company and the Management Company.

#### **D. UK facilities**

Copies of any of the documents listed above, under the heading Documents Available for Inspection may be obtained free of charge from the registered office of the Company or the registered office of William Blair International, Ltd. during usual business hours on any week day. Information regarding the price of the Shares may also be obtained from the registered office of the Company or the registered office of William Blair International, Ltd., where facilities whereby an investor may arrange for redemption of his Shares and to obtain payment are also provided. Payments of dividends free of charge and details of copies of any notices which have been given or sent to participants in the Funds of the Company can also be obtained at the registered office of William Blair International, Ltd.

#### **E. Complaints**

Complaints regarding the operation of the Company may be submitted to either the registered office of the Company or the registered office of William Blair International, Ltd.

#### **F. Taxation**

The following summary only covers certain UK tax consequences for the absolute beneficial owners of the Shares and any distributions paid in respect of them. Unless otherwise stated, this summary assumes that the investors are tax resident in the UK and that individual investors are domiciled in the UK for UK tax purposes. In addition, unless otherwise stated, the following summary does not address:

- (a) investors who hold Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate investor, through a permanent establishment or otherwise);
- (b) investors who have (or are deemed to have) acquired Shares by virtue of an office or employment;
- (c) investors who hold Shares as part of a hedging transaction; or
- (d) investors that are insurance companies, dealers in securities, broker-dealers or persons connected with the Company or Citibank Europe plc, Luxembourg Branch.

Subject to the above, the following is a non-exhaustive summary of the expected UK tax treatment of a participation by UK resident persons in the Funds based upon current law and practice (which, in either case, may change, possibly with retrospective effect).

The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any prospective investor. Prospective investors should satisfy themselves as to the overall tax consequences, including, specifically, the consequences under UK law and HM Revenue & Customs ("**HMRC**") practice, of the acquisition, ownership and disposition of the Shares in their own particular circumstances by consulting their own tax advisors.

**Prospective investors who are in any doubt about their taxation position should consult their own professional advisors.**

## ***Residence***

It is the intention that the affairs of the Company will be managed such that the Company is not resident in the UK for tax purposes and will not carry on a trade in the UK through a UK permanent establishment. In this regard, it is relevant to note that Section 363A of the Taxation (International and Other Provisions) Act 2010 ("**TIOPA**") sets out that offshore UCITS funds structured as bodies corporate and authorised and tax resident in a member state other than the UK shall not be regarded as resident in the UK for UK tax purposes. Accordingly, the Company should not be subject to UK tax on any income or other profits or gains of an income nature which it derives from sources outside the UK and it should not be within the scope of UK tax on chargeable gains wheresoever arising. However, the Company may be subject to UK income tax on any income or other profits or gains of an income nature arising in the UK.

## ***UK Tax Resident Investors***

It is expected that each Class of Shares issued by each sub-fund of the Company (each referred to below as a "Fund") will be treated as separate arrangements constituting an "offshore fund" for the purposes of the UK offshore funds tax rules. Each Fund currently has "reporting fund" status for the purposes of the UK offshore funds tax rules and the following paragraphs are drafted on this basis.

### *The Offshore Fund Rules: Reported Income*

Assuming that the Funds obtain "reporting fund" status, one of the ongoing requirements to maintain reporting fund status is that the income generated by each Fund is reported to the investors in that Fund. If the reported income exceeds distributions actually made on the Shares, this excess should be treated as an additional distribution paid out on the Shares and will be taxed as such (as to which, please see further below).

As such, investors in each Fund should be subject to tax on their share of reportable income of the Fund regardless of whether returns that comprise reportable income of that Fund have actually been distributed to investors.

Each Fund will make available a report in accordance with the reporting fund regime for each reporting period to its UK investors who hold an interest in a reporting fund on <http://sicav.williamblairfunds.com> within six months of the day immediately following the final day of the reporting period in question.

### *Distributions on the Shares*

The UK tax consequences for the investors on receiving distributions on the Shares should be as follows:

UK resident or ordinarily resident individual investors should be liable to income tax on the amount of any distributions received.

A non-payable tax credit equal to one-ninth of the amount or value of the grossed up distribution is available to UK resident individuals in respect of distributions received from non-UK resident companies provided certain conditions are satisfied. One of the situations in which the credit may be obtained is where the non-UK resident company is an "offshore fund" for UK tax purposes. Accordingly, subject to the matters described further below, it is anticipated that UK resident



individual shareholders should be able to benefit from such tax credit in respect of any distributions received on the Shares.

UK resident individuals will generally be taxable on the gross dividend, being the total of the dividend received (the "**net dividend**") and the tax credit, but will be able to set the tax credit against their tax liability (although they will not be able to reclaim any sums in respect of this tax credit).

Subject to the qualification considered below with respect to the "qualifying investments" test, UK resident investors who have taxable income in excess of £150,000 in a tax year ("**additional rate**" taxpayers) will be liable to income tax at the rate of 37.5% on the gross dividend for the tax year 2015-2016 (an effective tax rate of 30.55% on the net dividend). Higher rate taxpayers will be liable to income tax at the rate of 32.5% on the gross dividend (an effective tax rate of 25% on the net dividend) and basic rate taxpayers will be liable to tax at the rate of 10% on the gross dividend (an effective tax rate of 0% of the net dividend). For these purposes, dividends will generally be regarded as the top slice of the taxpayer's income.

Subject to the qualification considered below with respect to the "qualifying investments" test, investors that are UK tax resident companies should be subject to tax on their share of any distributions paid out on the Shares at their appropriate corporation tax rate unless the distribution falls to be treated as an "exempt" distribution for UK corporation tax purposes, in which case a UK resident corporate investor will not be subject to tax on such distribution. A distribution will fall to be treated as "exempt" for UK corporation tax purposes if certain conditions set out in Part 9A of the Corporation Tax Act 2009 (the "**CTA**") are satisfied. It will be necessary to consider whether the conditions are satisfied in respect of each distribution received on a case by case basis.

#### *The Qualifying Investments Test*

Depending on the composition of the underlying assets held by the Funds, it is possible that the Funds could fail to meet the "qualifying investments" test set out in Part 6 to the CTA in one or more accounting periods. Broadly, a Fund would fail to meet the qualifying investments test in an accounting period if at any time in that period more than 60% (by market value) of that Fund's investments constitute "qualifying investments". "Qualifying investments" include, *inter alia*, money placed at interest, debt securities, derivative contracts whose underlying reference asset comprises (*inter alia*) debt securities or currency, and holdings in offshore funds and unit trusts which do not themselves satisfy the qualifying investments test. If this were to be the case, the UK tax consequences would be as follows:

Any distribution paid out on the Shares during the relevant accounting period would be treated as a payment of interest for UK income tax purposes. Accordingly, investors that are UK resident individuals would not benefit from the non-payable tax credit described above. Individuals who are higher rate taxpayers would therefore be liable to income tax at the rate of 40% on the amount of any such distribution. For additional rate taxpayers, the rate will be 45% and for basic rate taxpayers it will be 20% for the tax year 2015-2016.

Investors within the charge to UK corporation tax would be required to bring their shareholding into account under the UK "loan relationships rules" for the relevant accounting period pursuant to Chapter 3 of Part 6 of the CTA. Very broadly, investors would be required to treat their

shareholding as a creditor loan relationship, and credits and debits to be brought into account by any such investor for the purposes of the loan relationship rules would need to be determined on the basis of fair value accounting.

#### *Disposal of Shares*

So long as "reporting fund" status is obtained and continually maintained, investors who are resident in the UK for taxation purposes should be liable for UK capital gains tax or corporation tax on chargeable gains in respect of gains arising from the sale or other disposal of their Shares in accordance with their own particular circumstances.

As regards investors who are UK tax resident individuals, the principal factors that will determine the extent to which a gain arising on the disposal of Shares will be subject to UK capital gains tax are the extent to which he or she realises any other capital gains in the tax year of assessment in which the gain arises and the extent to which he or she has incurred capital losses in that or any earlier tax year of assessment. Should a gain arise on the disposal of Shares by investors who are individuals, those individuals should be able to benefit from the annual exemption from tax on chargeable gains (£11,100 for the tax year 2015-2016). Chargeable gains in excess of the annual exemption are currently charged to tax at 28% for higher rate and additional rate taxpayers. For other individual taxpayers, chargeable gains are subject to tax at the rate of 18% to the extent that the amount of gains realised by such taxpayer in that tax year fall within their basic rate income tax band. Any gains realised by a taxpayer in excess of their basic rate band are subject to tax at the rate of 28%.

As regards UK tax resident corporate investors, the principal factors that will determine the extent to which a gain arising on the disposal of Shares will be subject to UK corporation tax on chargeable gains are the extent to which such investor is able to offset any available capital losses against such gain and the availability of an indexation allowance. For these purposes it is assumed that the investors will not be required to bring their shareholdings into account under the loan relationship rules. However, if they were to do so, any gain arising on the disposal of the Shares would be subject to tax under those rules and not the provisions relating to corporation tax on chargeable gains.

No assurance can be given as to whether "reporting fund" status will be maintained; if reporting fund status is not maintained, any gains realised on the disposal of Shares are likely to be treated as income receipts for UK tax purposes.

#### *Other UK Tax Issues*

Investors should be aware that the Finance Act 2012 introduced revised controlled foreign companies legislation (now contained in Part 9A TIOPA). The new rules apply in relation to accounting periods of a controlled foreign company that begin (or are deemed to begin) after 1 January 2013. If the Company were regarded as being controlled by persons resident in the UK for UK tax purposes, the legislation applying to controlled foreign companies may, in general terms, apply to corporate investors who are resident in the UK and who alone, or with connected persons, hold an interest of at least 25% in the Company. If relevant, a UK corporation taxpayer may be subject to tax on the part of a controlled foreign company's "chargeable profits" apportioned to it in accordance with the provisions of the controlled foreign companies

rules. Particular rules apply to controlled foreign companies that are offshore funds, although it is not clear how these rules would apply in the case of the Funds.

The attention of investors is drawn to Section 13 of the Taxation of Chargeable Gains Act 1992 and Regulation 24 of the Offshore Funds (Tax) Regulations 2009. Section 13 and/or Regulation 24 may apply in certain circumstances to shareholders in non-UK resident companies, with the result that gains of such companies may be apportioned to UK resident shareholders. Section 13 and/or Regulation 24 may therefore apply to shareholders in the Company and therefore affect UK resident shareholders who, together with persons connected to them, hold more than a 25% interest in the Company.

The attention of prospective investors is drawn to the provisions of Part 15 of the Corporation Tax Act 2010 for corporation tax purposes and Chapter 1, Part 13 of the Income Tax Act 2007 ("ITA") for income tax purposes, which give powers to HMRC to cancel tax advantages derived from certain transactions in securities.

The attention of investors is drawn to the provisions of Chapter 2, Part 13 of ITA. Following the abolition of the concept of ordinary residence for UK tax purposes from 6 April 2013, the transfer of assets abroad provisions will apply to individuals who are resident in the UK. The provisions are aimed at preventing the avoidance of UK income tax by individuals through transactions resulting in the transfer of assets to persons (including companies) resident or domiciled outside the UK and may, in general terms, render such individuals liable to UK income tax in respect of income received by the Company on an annual basis.

Special rules apply to investment trusts, authorised unit trusts and open ended investment companies in the United Kingdom. Such shareholders should seek their own professional advice as to the tax consequences of an investment in the fund.

#### *Transfer Taxes*

No UK stamp duty or stamp duty reserve tax will be payable on the issue of the Shares and no UK stamp duty should be payable on the transfer of Shares provided that any instrument of transfer is not executed in the UK. On the basis that the Shares will not be registered on any register situated in the UK, any agreement to transfer Shares should not be subject to UK stamp duty reserve tax.

#### *Inheritance Tax*

A gift of Shares or the death of an investor may give rise to a liability to UK inheritance tax. For these purposes, a transfer of assets at less than their full market value may be treated as a gift. Special rules apply to assets held in trusts and to gifts of assets where the donor retains an interest or reserves a benefit. However, an individual who is not domiciled in the UK, and is not deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK, is not generally within the scope of inheritance tax with respect to assets situated outside the UK. The Shares should constitute assets situated outside the UK for inheritance tax purposes.

## **Appendix E - Additional Information for Irish Investors**

### **A. Facilities Agent**

The Company has appointed Bridge Consulting Limited in Dublin as facilities agent (the "Facilities Agent") of the Company in Ireland.

The Facilities Agent shall provide the following facilities to investors at 33 Sir John Rogerson's Quay, Dublin 2 Ireland:

1. the compliance with the provisions of the laws and regulations of Ireland, applicable to the Facilities Agent;
2. the making public of such information as may be required by applicable laws and regulations;
3. the availability of the following documents in the English language to be inspected free of charge and copies to be obtained free of charge:-
  - (i) the Articles of Incorporation of the Company in its current form;
  - (ii) the current Prospectus, supplements, simplified prospectus or key investor information document, as applicable, and any addenda or amendments thereto of the Company;
  - (iii) the annual and half-yearly reports of the Company most recently prepared and published; and
  - (iv) any other documents required to be made available in accordance with applicable laws and regulations of Ireland.

### **B. Issue and Redemption of Shares, Subscription and Payment Procedure**

Applications for Shares and redemptions as well as for conversions may be made to the Transfer Agent in Luxembourg at the address below:

Citibank Europe plc, Luxembourg Branch  
31, Z.A. BourmichtL-8070 Bertrange  
Grand Duchy of Luxembourg  
Tel.: 45 14 14 1, Fax: 45 14 14 75

as well as to the Facilities Agent in Ireland at the address below:

Bridge Consulting  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **C. Publications**

The Net Asset Value per Share is made public at the registered office of the Company. The Company may arrange for the publication of this information in the Reference Currency and any other currency at the discretion of the Directors in leading financial newspapers. The issue and the redemption prices are published on the Company's homepage: [sicav.williamblairfunds.com](http://sicav.williamblairfunds.com).

## **D. Irish Taxation**

The following information is based on the law in force in Ireland as of the date of this Supplement. This summary deals only with Shares held as capital assets by Irish resident Shareholders and does not address special classes of Shareholders such as dealers in securities or persons that may be exempt from tax such as Irish pension funds and charities. This summary is not exhaustive and Shareholders are advised to consult their own tax advisors with respect to the taxation consequences of the ownership or disposition of Shares.

## **E. The Company**

It is the intention of the Directors to conduct the affairs of the Company so that it is neither resident in Ireland nor carrying on a trade in Ireland. Accordingly, the Company will not be subject to Irish corporation tax.

## **F. Irish Shareholders**

### **(a) Tax generally**

Shares in the Company are likely to constitute a 'material interest' in an offshore fund for the purposes of Chapter 4 of Part 27 of the Taxes Consolidation Act 1997. The tax treatment set out at (c) below should apply to a holding of Shares in the Company.

### **(b) Reporting of acquisition**

An Irish resident or ordinarily resident person acquiring Shares in the Company is required to disclose details of the acquisition in his annual tax return. Where an intermediary in the course of carrying on a business in Ireland acquires Shares in the Company it must report details of the acquisition to the Irish Revenue Commissioners.

### **(c) Income and capital gains**

An Irish resident corporate Shareholder will be liable to corporation tax at 25% on income distributions received from the Company.

An Irish resident corporate Shareholder which disposes of Shares in the Company will be liable for corporation tax at a rate of 25% on the amount of any gain arising. It should be noted that no indexation allowance is available.

Where an Irish resident or ordinarily resident person who is not a company holds Shares in the Company and receives an income distribution from the Company, that Shareholder will be liable to income tax at 41% on the amount of such distribution.

Where an Irish resident or ordinarily resident person who is not a company disposes of a Share a liability to Irish tax at the 41% rate will arise on the amount of the gain. No indexation allowance is available and the death of a Shareholder would constitute a deemed disposal of a Share.

There is a deemed disposal and reacquisition at market value for the purposes of Irish tax of Shares held by an Irish resident or ordinary resident investor on a rolling 8 year basis where the Shares are acquired on or after 1 January 2001. This deemed disposal takes place at market value so that Irish resident or ordinarily resident shareholders will be

subject to tax at the rate of 41% for individuals or 25% for corporate shareholders on the increase in value of their Shares at 8 year intervals commencing on the 8th anniversary of the date of acquisition of the Shares.

#### **G. Anti avoidance provision**

There is an anti avoidance provision imposing higher rates of tax on Irish resident investors in "personal portfolio investment undertakings" (PPIU). A PPIU is a fund in which the investor, or a person connected with the investor, has a right under the terms of the fund or any other agreement, to influence the selection of the assets of the fund. If a fund is treated as a PPIU the Irish resident investor can suffer tax at rates of up to 60% on amounts received from the fund where an income tax return has been filed (or 80% where no income tax return has been filed), or on the rolling 8 year deemed disposal.

#### **H. Withholding obligation on paying agents**

If any dividend is paid through an encashment agent established in Ireland, such an agent would be obliged to deduct tax from such dividend at the standard rate of income tax and account for this to the Revenue Commissioners. The recipient of the dividend would be entitled to claim a credit for the sum deducted by the paying agent against his tax liability for the relevant year.

#### **I. Stamp duty**

Transfers for cash of Shares in the Company will not be subject to Irish stamp duty.

#### **J. Gift and inheritance tax**

A gift or inheritance of Shares in the Company received from a person who is resident or ordinarily resident in Ireland or received by such a person will be within the charge to Irish capital acquisitions tax. Capital acquisitions tax is charged at a rate of 33% above a tax free threshold which is determined by the amount of the benefit and of previous benefits within the charge to capital acquisitions tax, and the relationship between the person treated as disposing of such shares and the successor or donee.

#### **K. Foreign Account Tax Compliance Act (FATCA)**

To the extent that the Company may be a Reporting Luxembourg Financial Institution for the purposes of the intergovernmental agreement between the USA and the Government of the Grand Duchy of Luxembourg with respect to FATCA, the Company may require all shareholders including Irish resident or ordinarily resident Shareholders to provide evidence of their tax residence to enable the Company to comply with its automatic exchange of information obligations under FATCA. Further information on FATCA can be found in this Prospectus in the Section regarding Taxation under the heading "*U.S. Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")*".

#### **L. Common Reporting Standard (CRS)**

On 21 July 2014 the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the Standard) was published, involving the use of two main elements, the Competent Authority Agreement and the Common Reporting Standard. The goal of CRS is to provide for the annual automatic exchange between governments of financial account information reported to

them by local financial institutions (which may include the Company) relating to investors tax resident in participating countries to assist in the efficient collection of tax. Ireland and Luxembourg are participating jurisdictions for CRS purposes. As such to the extent that the Company may be within the scope of CRS it may require Irish resident or ordinarily resident Shareholders to provide information required to enable the Company to comply with its automatic exchange of information obligations under CRS. Such obligations may involve the reporting by the Company of certain information on Shareholders to the Luxembourg tax authorities who may in turn exchange that information with their counterparts in participating jurisdictions (which in the case of Irish Shareholders may be the Irish Revenue Commissioners). Further information on CRS can be found in this Prospectus in the Taxation section under the heading "*Common Reporting Standard*".

#### **M. Transfers between Sub-Funds**

The Directors have been advised that in the Republic of Ireland the exchange of Shares from one Sub-Fund to another Sub-Fund of an umbrella scheme will not in itself constitute a disposal of such Shares and will not give rise to a charge to tax.